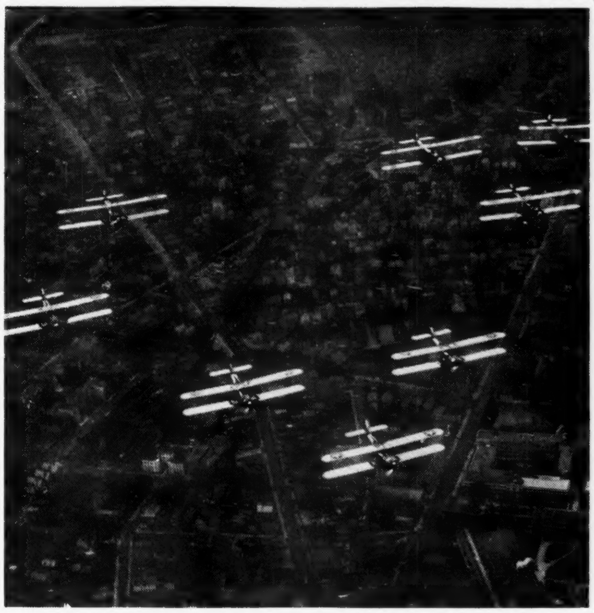
TWENTY CENTS JULY 19, 1930

Sales Management

The Weekly Magazine for Marketing Executives



The Metalcraft Corporation seized upon the popular interest in aviation and made it the basis of a new sales plan. Page 86.

How Metalcraft Grabbed a Popular Idea and Merchandised It

Are the Department Stores Cutting Their Own Throats Along with Their Prices?

Pittsburghers

are

Spenders!

CONSISTENT spenders—big spenders—sensible spenders. Not spendthrifts, for they have money in the bank. But they are buying merchandise — and buying now. Charges against individual Pittsburgh bank accounts during early June showed an increase of 7.5% over the same period a year ago —the country as a whole showed a decrease. This is not unusual for Pittsburgh — it's persistent. A steady spending market.

An active, sound, responsive market for manufacturers who *today* of all times, must reap full returns on every advertising dollar invested.

There is only one medium needed to reach these Pittsburgh spenders—THE PITTSBURGH PRESS. It has proved so, by its "habit of producing results."

The Power of the Press in Pittsburgh

48.1% of the total June advertising lineage was carried in The Pittsburgh Press. It led in 27 out of 36 classifications and carried 355 exclusive accounts.

(Media Records, Inc., June exclusive of advertising in national magazine distributed with other Pittsburgh Sunday paper.)

The Pittsburgh Press

A Scripps · Howard Newspaper

NATIONAL ADVERTISING DEPARTMENT OF SCRIPPS-HOWARD NEWSPAPERS 230 PARK AVENUE, N. Y. C.

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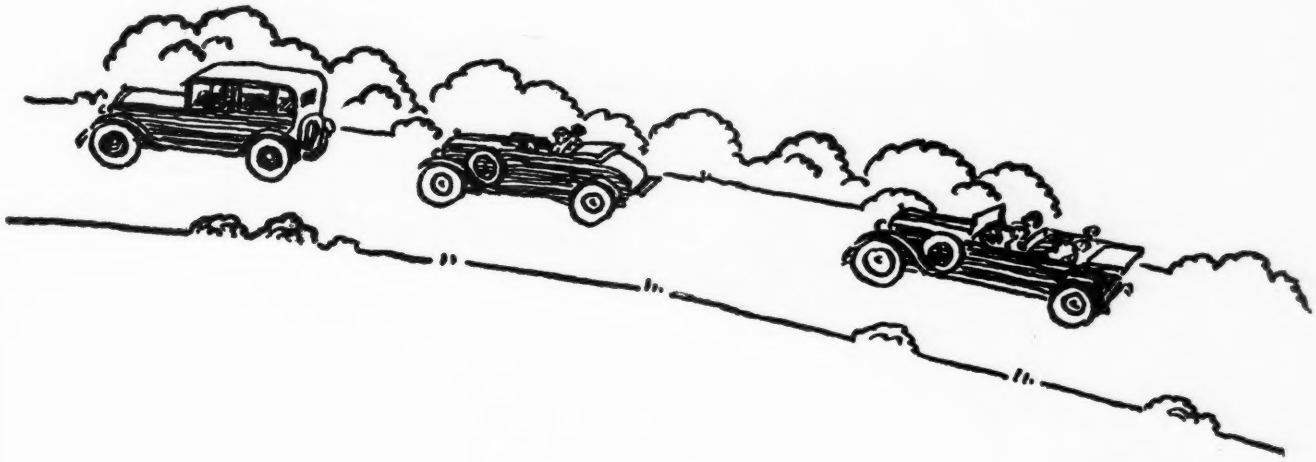

On any fine Sunday
you see the roads crowded
with expensive new cars
burning high-priced gas—
families with free-spending
habits who don't want
to retrench.

In an "off year"
the free-spending families
are the profitable prospects
—and it has been shown
conclusively that Cosmopolitan's
1,600,000 are that kind.

COSMOPOLITAN: *A Class Magazine With More Than* 1,600,000 *Circulation*

Published every Saturday and copyrighted by Sales Management, Inc., 420 *Lexington Ave., New York, N. Y. Subscription price* $4.00 *a year in advance.*
Entered as second-class matter June 1, 1928, *at the Post Office at New York, N. Y., under the Act of March* 3, 1879. *Volume* XXIII. *No.* 3.

Survey of Surveys

BY WALTER MANN

Recent Surveys on Distribution

National Retail Credit Survey

(Domestic Commerce Series Nos. 33, 34, 36) Part I—52 pages. (February, 1930); Part II—48 pages. (March, 1930); and Part III—66 pages. (April, 1930).

There are three parts to this nation-wide survey made by the Department of Commerce at the request of the National Retail Credit Association. It includes data on credit losses, credit terms, use of credit bureaus, collections, etc., by retail establishments, and is intended to aid the average business man in carrying on his credit business more efficiently.

Part I includes data on 892 department stores, 523 women's, children's and infants' wear stores, 843 men's and boys' clothing stores, 1,616 general clothing stores, 2,000 shoe stores, 124 fur goods stores, 108 dry goods stores and 726 furniture stores. The total net sales of these 6,832 establishments in 1927 exceeded $2,500,000,000.

Part II includes data on 569 automobile dealers, 678 automobile accessory stores, 2,164 independent grocery stores, 353 bakery product stores, 92 radio stores, 627 electrical appliance stores, 330 jewelly stores and 86 optical goods stores. The total net sales of these 4,899 establishments in 1927 exceeded $670,000,000.

Part III includes data for 706 hardware stores; 680 coal and wood dealers; 640 lumber and building-material dealers; 207 coal, wood, lumber and building-material dealers; 203 paint, oil and varnish stores; 731 plumbing and heating fixture and supply stores; 22 stove and range stores; 49 house-furnishing stores; 132 musical instrument stores; 112 hay, grain and feed stores; 430 drug stores, and 8,136 miscellaneous retail establishments. It also contains summary tables of all establishments covered by the survey.

Available through the Superintendent of Documents, Washington, D. C., ten cents per part, thirty cents for the three parts.

Distribution Costs

A summary of the "common figures" on distribution cost developed by the Harvard Bureau of Business Research. This free pamphlet also lists many Bureau of Business Research Bulletins of the past few years, as follows: No. 78—Operating Expenses of Department Stores and Departmentized Specialty Stores in 1928 ($2.50); No. 59—Cases on Merchandise Control in Women's Shoe Departments by Department Stores ($2.00); No. 43—Operating Expenses in Retail Shoe Stores in 1923 ($1.00); No. 48—in the Retail Automobile Tire and Accessory Business in 1923 ($1.00); No. 52—in Retail Grocery Stores in 1924 ($1.00); No. 76—in Retail Jewelry Stores in 1927 ($1.50); No. 80—in Retail Stationers and Office Outfitters in 1928 ($2.00); No. 81—Operating Results and Policies of Building Material Dealers in 1928 ($2.50); No. 40—Operating Expenses in the Wholesale Grocery Business in 1923 ($1.00); No. 45—in the Wholesale Dry Goods Business for the South in 1923 ($1.00); No. 50—in the Wholesale Drug Business in 1924 ($1.00); No. 51—in the Wholesale Automobile Equipment Business in 1924 ($1.00); No. 55—Cases of Merchandise Control in the Wholesale Grocery Business (cloth) ($3.25); No. 66—in the Wholesale Paint and Varnish Business in 1926 ($1.50); No. 71—among the Plumbing and Heating Supply Wholesalers in the Central States in 1927 ($1.50); No. 72—Methods of Departmentizing Merchandising and Expense Figures for Plumbing and Heating Supply Wholesalers ($1.00); No. 73—Operating Expenses of Wall Paper Wholesalers in 1927 ($1.50).

Additional studies since this bulletin was published are: No. 79—Marketing Expenses of Grocery Manufacturers for 1927-28 ($2.00); No. 83—Operating Results in Department and Specialty Stores in 1929 ($5.00).

Any of these pamphlets may be secured directly from the Harvard Business School, Soldiers' Field, Boston, Massachusetts., at the prices stated.

The Voluntary Chains

This is the second of a series of reports issued by Professor V. H. Pelz of the American Institute of Food Distribution. Quotations from the preface by Gordon C. Corbaley, president, will illustrate the handling without gloves which this book gives to one of the most interesting distribution developments of the decade.

Mr. Corbaley says: "Thus far voluntary chain growth has been generally crude and inefficient. Its greatest value has been the fact that it has given men a new business theory on which to go ahead, an enthusiasm that has started them working together. Now definite principles of distribution relationship are emerging.

"It is fairly obvious that the wholesale supply function to the retail outlet is to be simplified to reduce costs materially and to establish a new intimacy of association reaching through from production to point of delivery. Whether this will take the form of an actual chain or a really efficient voluntary association, or will operate as a preferential connection between the supply houses and the retailers, are points that will vary under different conditions, etc.

"The controlling fact now coming to be understood is that this grouping into a new basis of merchandising relationship of those formerly cherishing their independence of each other is a movement that is largely paralleling the development of the older chains, and the combined effect of the two is bringing a great change in the entire structure of food distribution."

Voluntary chains, this study says, will continue to be a factor of increasing importance in the battle between the independent foodstuff dealer and the chain store. Among other subjects which are

(*Continued on page* 107)

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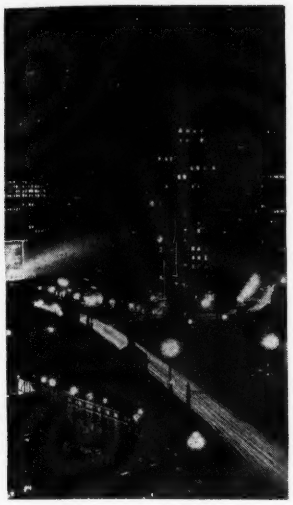


PERHAPS the most difficult problem faced by the toy business is marked seasonability in sales. The Metalcraft Corporation has found, in its plan for developing chains of sales among boys, one effective method which tends toward a leveling out of the sales curve. Page 86.

• • •

EVERY sales executive who sells through the big department stores will find it worth while to invest fifteen minutes of time in a study of the leading article in this issue, "Are the Department Stores Cutting Their Own Throats Along With Their Prices?" The editors will welcome comment and opinion on the issues raised. Page 82.

• • •

THE third article on lobbying methods business men can use which are both legitimate and effective, will appear in an early issue. Charles J. Brand, executive secretary of the National Fertilizer Association, will explain how that industry organized and carried out its campaign against the Muscle Shoals bill.

CONTENTS

Cover photograph by P. & A.

RAYMOND BILL, *President;* PHILIP SALISBURY, *Vice-President and Director of Advertising;* J. F. WEINTZ, C. E. LOVEJOY, *Vice-Presidents;* M. V. REED, *Eastern Advertising Manager;* FREDERICK FRANKLIN, *Promotion Manager;* R. E. SMALLWOOD, *Circulation Manager;* G. D. YOUNG, *London Manager. Published by* SALES MANAGEMENT, INC., 420 *Lexington Avenue, New York; Chicago Office,* 333 *North Michigan Avenue; London Office,* 33 *Chancery Lane, W. C.* 2.

Significant News

● ● ● Midsummer finds steel production at a rate below that of the same period in 1929 and 1928 but above that of 1927 and equal to that of 1926; rubber consumption for six months greater than for any previous half year save in 1929; commodity prices at a lower level than was reached in 1922 but still more than 20 per cent higher than the low of 1914; chain store sales in June less than in June last year; employment figures uncertain but indicating more idleness than we have had for a good many years; automobile stocks of cars down to a basis of a single month's supply.

● ● ● In well-informed circles the view prevails that these records mark the extreme decline of the current depression. Among signs of this confidence none is more conspicuous than dividend payments by industrial companies for the first half of the year amounting to $944,878,000 compared with $906,227,000 disbursed by the same companies in the same period last year.

● ● ● Similarly encouraging are the low merchandise stocks and inventories in almost all lines of business. This phase is explained by the findings of 150 business publications in the following language: "Equalizing of production and consumption, maintenance of high wages even during restricted employment, hand-to-mouth buying of both raw materials and finished products."

● ● ● Preliminary figures for half the population of the country report a jobless total of 1,200,000 persons who are able and accustomed to work but unable to find employment. Returns from a quarter of the population showed the same ratio of persons without work.

● ● ● Curtiss Wright Flying Service, operating forty airports in this country, carried 83,259 passengers in the first six months of 1930, twice as many as in the first six months of 1929. T. A. T. Maddox Air Lines, operating the rail-air line between the Eastern and Western coasts, carried 30,000 passengers in its first year ended June 15.

● ● ● "Market Week" in women's apparel industries began in New York last Tuesday night under the direction of 1,500 retail buyers, executives and manufacturers' representatives inspired by a purpose to make style emphasis rather than price emphasis the means of putting the industry on a sounder basis.

● ● ● General Electric and National Biscuit earnings in the June quarter certainly tell no story of disaster, the former being off less than 11.5 per cent while National Biscuit's loss was less than 2 per cent.

● ● ● Otis Elevator net income for the six months ended June 30 was 15 per cent less than in the same period last year, evidence that elevator building construction has been less hard hit than many people have believed.

● ● ● Of the same character respecting construction work generally is the report of International Cement showing net income for the half year only 5 per cent less than in 1929.

● ● ● Leading gasoline distributors on the Pacific Coast have restored this week the service station price level prevailing before the price war which began a month ago in that section of the country, evidence that differences in the industry there have been composed.

● ● ● A departure in chain store practice is seen in the announcement by the Great Atlantic & Pacific Tea of the opening next week in Philadelphia of the largest store among the company's fifteen-odd thousand units. The store, situated in the busy Sixty-ninth Street shopping district, has capacity for a volume of a million dollars a year or more.

● ● ● The chain store association has called a three-day convention in Chicago beginning September 29 to discuss the tendency among state legislatures to pass sales tax laws. The Kentucky act, which grades a sales tax sharply, has started a fashion that other states show a disposition to adopt.

● ● ● Comparative chain and independent store prices of sixty nationally advertised articles sold in Durham, North Carolina, December 10, 1929, show that the chain prices as a whole were 13.79 per cent less than the independent store prices.

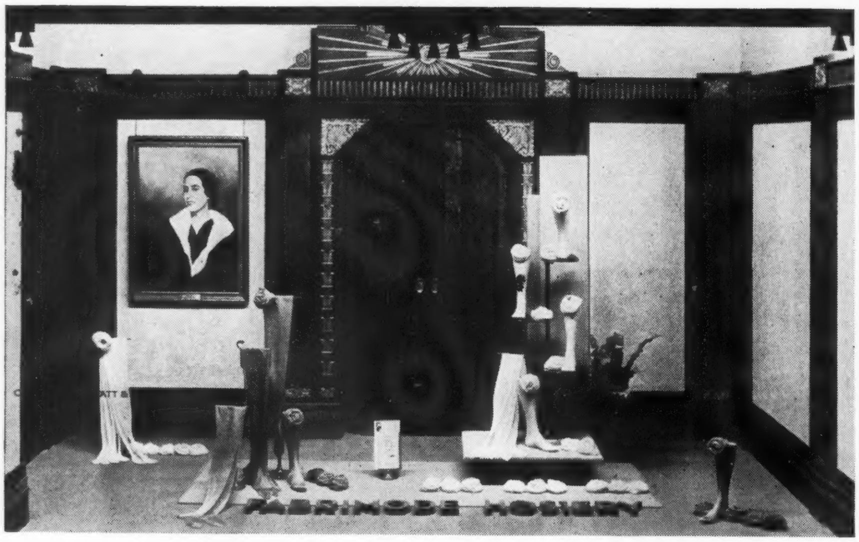
● ● ● These data were obtained by a University of North Carolina study reported by Malcolm D. Taylor in the current *Harvard Business Review*. They were based on returns from ninety-three stores—twenty-four chain and sixty-nine independent. An accompanying note observes that they are very different from similar data obtained last year by the New York *Journal of Commerce* from a study among some New York stores which found little difference between chain and independent store prices for nationally advertised goods.

● ● ● While early reports of June chain store sales showed a decline of about 4 per cent, there were notable exceptions, especially in grocery chains. Great Atlantic & Pacific Tea reported a gain of more than 8 per cent and First National, a gain in excess of 10 per cent.

● ● ● Secretary Lamont thinks "the recent reduction in prices is not a cause of the business recession but a result of it." He adds, in a statement published this week, that lowered prices are a palliative of recession because they enable producers to sell more goods and keep labor employed.

● ● ● Tire manufacturers, fully prepared for pretty poor earning statements for the June quarter following little that was good in the first quarter, are beginning to predict better earnings for the last six months, provided there is no further cut in prices.

BY
JAMES
TRUE



To some stores a new line is an opportunity for profit - building; to others, it is merely the signal for another cut-price battle.

Are the Department Stores Cutting Their Own Throats Along with Their Prices?

In this story of the experience of the Westcott Hosiery Mills in introducing their new line of "dull" hosiery, we have a perfect example of the havoc that is wrought in a market when the department stores engage in "monkey business" which includes wholesale bootlegging of stocks, flagrant price-cutting, and a variety of petty practices which tend to undermine the public's confidence in both the stores and the merchandise they sell.

IN any search for the causes of the deplorable state of our national distribution, the investigator soon faces an incomprehensible condition in the department store field. Merchandising practices that are utterly damned from an economic point of view are found to be widely prevalent, to the material loss of manufacturers, wholesalers and the stores themselves.

Although the good will attached to merchandise is universally recognized as a valuable asset, there are department stores in all of the cities in the country which prey upon good will. Although managers of these stores undoubtedly consider themselves honest, they eagerly steal or destroy this asset of good will whenever they consider such a thing expedient.

An amazing ignorance of both merchandise and factors that move merchandise is displayed by buyers and managers, who frequently attempt to cover their mistakes with that vicious retaliation which is usually a defensive measure of ignorant minds. And many otherwise honorable gentlemen in the department store business do not hesitate to encourage a system of bootlegging which is rapidly reducing their factor of distribution to a sort of "racket."

Another motive of idiotic practices in the field is a senseless fear of competition. Because of it, evidently, scores of large stores are found to be using childish and unsportsmanlike methods to circumvent competition, to the demoralization and loss of their own interests.

A surprising feature of the condition is that many department store managers, in their eagerness to despoil each other, are apparently blind to the encouragement they are giving to a form of competition that is a danger to them because of its rapid and successful growth. There is an unmistakable trend against department store merchandising. During the last twelve or fifteen years, if there has been a large department store organized in any American city, the writer has not heard of it. In its number of units, this form of retail distribution about reached its maximum some time ago, although several kinds of competitive stores have multiplied rapidly. In every city and in many of the larger towns the number of small specialty shops for women is remarkable, and it is probable that the majority of these shops have certain economic advantages. Each offers competition to the larger stores.

It isn't necessarily a guarantee of success to have your product accepted with acclaim by the "Four Hundred" at Palm Beach and Newport, but it's dollars to dimes it will have a definite competitive advantage to start with. How the department stores often muff their opportunities for merchandising products thus endorsed, is shown by experiences recounted in this article.

Photographs at Newport by Fotograms

Falling—Falling—Falling! That's the Story of Department Store Profits Over the Last Five-Year Period, New Harvard Study Reveals. What Portion of the Loss Is Due to Ruthless Cut-Price Warfare on Standard Merchandise?

(Net Sales=100%)	Department Stores With Net Sales of from $500,000 to $1,999,000			Department Stores With Net Sales of $2,000,000 or more			All Specialty Stores		
	1927	1928	1929	1927	1928	1929	1927	1928	1929
Number of Reports	172	116	168	98	107	133	67	64	85
Gross Margin	31.6%	31.7%	31.8%	33.6%	33.8%	33.6%	33.5%	33.9%	33.8%
Total Expense	31.0%	31.4%	32.0%	31.4%	32.1%	32.8%	31.8%	32.1%	33.1%
Net Profit or Loss	0.6%	0.3%Ls	0.2%	2.2%	1.7%	0.8%	1.7%	1.8%	0.7%
Net Other Income	2.9	3.0	3.3	2.7	3.2	3.4	2.3	2.3	2.8
Net Gain: Percentage of Net Sales	3.5%	3.3%	3.1%	4.9%	4.9%	4.2%	4.0%	4.1%	3.5%
Net Gain: Percentage of Net Worth	8.2%	8.7%	7.5%	11.3%	10.1%	8.5%	11.2%	11.8%	10.1%
Stock-turn (times a year)	3.3	3.3	3.3	3.9	4.1	4.2	5.2	4.8	5.2

Bulletin No. 83, Bureau of Business Research, Harvard University.

The condition obviously calls for merchandising practices based on the soundest of economic principles, and for honest, broad-minded cooperation in the solving of innumerable problems. But we find quite the reverse. With comparatively few exceptions, the stores are engaging in practices that are destroying the confidence of the public and forcing manufacturers to seek other channels.

To illustrate and support these charges, a great many experiences of the last year could be related. In scores of instances, and in practically all parts of the country, price wars started by department stores have closed valuable markets to manufacturers, destroyed the good will created by advertising, established low standards on quality merchandise, cost the stores themselves a great deal of money, blocked the demand for fashion and other goods, and forced many valuable items into other channels of retail distribution.

The recent experience of the Westcott Hosiery Mills is not only typical in many of its phases, but is especially significant because the merchandise involved has been a standard department store line for a long time, and in this case has a new fashion appeal that makes the goods particularly desirable.

Early last January the Westcott Mills introduced its line of "Fabrimode" costume hosiery, a new and beautiful "dull" effect, and the first radical development in women's hosiery in about ten years. From a merchandising point of view the line has marvelous possibilities for the stores. In fact, a number of stores have increased their hosiery business with the line, for the reason that its wide range of fabric effects allows women to match the costumes they wear for various occasions. The line encourages women to own more hosiery. Its suggested prices are $1.95 and $2.95; its quality is excellent, and its fashion appeal is attractive to the best class of trade. It has been proved that "dull" stockings (of late known as grenadine-crepe) wear from three to four times longer than stockings of regular hosiery tram.

To make the new line more attractive from a promotion standpoint, Fred R. Westcott and Paul Freeman, eastern manager, induced Mme. Elsa Schiaparelli, famous couturiere of Paris, to sponsor it and also to show it in her spring collection last February. Her authenticity label was

sewn into the welt of each stocking. News of the Schiaparelli showing was broadcast by fashionists to the four corners of the globe, almost overnight. A great many other celebrated stylists, both of this country and abroad, approved the line as consisting of "new hosiery groups giving an entirely different and fundamental importance to hosiery as a part of the fashion ensemble."

The first "footballing" of this new line came to light in the New York market. Within one week of the time the first delivery of grenadine-crepe stockings had been made, a Brooklyn store had hammered the price down to $1.00 a pair. The merchandise was advertised by the Brooklyn store in New York papers at cut prices, but only a few of the stockings reached the public.

Bought His Stock at Retail

Meanwhile the line had been placed in about ten of the finest New York outlets and initial deliveries had been made. It is interesting to note, however, that the Brooklyn store referred to had been offered the line first, but the buyer had refused to look at it. When he saw his mistake, several weeks later, this same buyer wanted to purchase but demanded immediate delivery so as to be able to show the merchandise along with style leaders of the metropolitan market. Immediate delivery was impossible and when the Westcott office advised the Brooklyn store the buyer threatened to go into the New York market and buy the merchandise at retail prices from Macy, Bonwit Teller and others.

Word reached Mr. Freeman by wire at Dayton, Ohio, and he immediately wired New York stores who had bought the line to shop the Brooklyn establishment and buy back every stocking. His request was complied with and four hours after the merchandise had been put on sale by the Brooklyn store forty shoppers had bought back every stocking.

Deplorable as the condition is in New York, Mr. Freeman remarked that it is rather to be expected. He pointed out that competition was abnormally keen in the market and that store buyers often are faced with certain established store policies of underselling—policies over which the buyer often has no control. He is asked to meet all competition and undersell and at the same time show his regular mark-up. While the writer was talking to Mr. Freeman, a salesman 'phoned in that a certain store wanted to price the merchandise at $1.94 and $2.94, in order to be one cent below competition.

"The surprise to us," Mr. Freeman continued, "is that stores in other cities should adopt the same tactics, for no reason at all, and ultimately to their own serious detriment. Happily, so far as our goods are concerned, the condition has greatly improved both here and elsewhere. Practically all of the Fifth Avenue establishments from Fifty-eighth Street down are now carrying Fabrimode hosiery at our suggested prices and Macy's are giving us a very large business. However, I never know when the telephone rings but what another price war is on. They start as they end—abruptly."

From the point of view of low selling costs Mr. Freeman considers the Macy account exceptional. "While it is their policy to undersell," he pointed out, "they do not look for trouble but are always prepared for it. We do not feel that R. H. Macy makes a football of our line because of their underselling policies. They do not single out our line because of its fashion value and consumer acceptance. The policy is general throughout the store. I cannot understand, however, why so many competitive mills boast that they do not sell Macy and at the same time send their salesmen there almost every sample room day with some 'special' proposition.

Arrangement with Macy

"After the first price skirmish I immediately returned from Dayton. Macy had dropped their price to ninety-four cents, according to their 6 per cent underselling policy, but the day before my return, after the Brooklyn store stock had been purchased, Macy was back to their normal selling price. And they had continued their big advertising program. A conference was called and we met that morning to discuss plans for the future. They were good enough to forsake the fashion prestige and the Schiaparelli label, even though they had already spent close to $2,000 advertising under that name, thus protecting us against the possible loss of dealer good will, because of their selling policy. The store buys in enormous quantities and I can truthfully say that as yet they have never requested one single concession from us in any way. They pay promptly and return only defective merchandise. Their inspection of incoming goods is very severe and they reject anything failing to meet their standard, but if any merchandise proves a slow seller because of faulty judgment on their part, they never return it.

"Unfortunately, when we introduced the line last February, we were having production troubles and were unable to deliver more than a third of the merchandise we sold. Although my company had spent close to $200,000 in perfecting the new twist, our percentage of imperfects was very high. Competition began to spring up. We realized, although it was hard to make the buyer believe it, that competitive salesmen were showing samples and taking a long chance that they could deliver. To knit up a few samples of grenadine-crepe is quite a different story than to get into volume production.

Process Now Patented

"By April it was estimated that about three hundred mills were copying the idea in one form or another. A few were doing a good job and actually making a high twist stocking, but most of them were merely chemically treating the old to make it dull. Macy had advertised 'it's bright to be dull' and instantly the word 'dull' seemed to spread. But the buyer could not distinguish, without a great deal of study, the technical difference between dull and grenadine twist. Other buyers didn't care. They wanted something with which to kill the thing and trade down. One store even advertised first quality merchandise at ninety-nine cents and stated in the copy that all other leading stores were asking $1.95 for dull stockings. The lusterless finish of our hosiery is permanently knitted into the stocking by a high twist of the yarn. The feature is now patented and can be made only by licensed mills. We are licensing only those who will make a stocking meeting a certain standard. But the copyist who is treating his old hosiery tram chemically is doing everything to demoralize the industry. Now, a great many mills are 'stuck' both going and coming. There is absolutely no market for the old hosiery tram and those who have tried to copy or infringe on our basic idea are stuck with that stock and cannot sell it because of the recent patent. We are anxious to use the patent in the interest of better retailers, making it possible for them to trade up and discount unethical competition.

"Wherever Fabrimode was placed on sale the consumer demand at regular prices was instantaneous. It seemed as though women acknowledged its fashion value and could not buy enough. In some instances, however, stores did everything to kill the idea for their competitors and many went to costly extremes.

"When we first brought out the

(*Continued on page* 116)

Ezra J. Warner, president, Sprague, Warner & Company.

Sprague, Warner to Launch First National Advertising Campaign

BY D. G. BAIRD

FOR the first time in their sixty-eight years of business, Sprague, Warner & Company of Chicago, one of the largest wholesalers, catering exclusively to the independent retail grocery trade, will launch in September a comprehensive program of national advertising in the food field. The advertising will appear in the leading women's magazines.

Nearly three years of research and planning preceded the preparation of the first advertisements. Each insertion will feature one Sprague, Warner product, supplemented by other related products. New recipe books will be offered and the magazine advertising will be supported by monthly direct-mail pieces to housewives featuring simultaneously the products advertised in the magazines. These will be mailed to lists of names supplied by dealers and will go out over the names of the individual dealers.

In addition, suitable material in the form of cuts and mats will be supplied by the company to dealers for their own supporting advertising in local newspapers. This local advertising by the dealers will tie in directly with the national advertising and the direct-mail advertising which is being supplied each month for the purpose.

Decalcomanias featuring the brand of Sprague, Warner merchandise carried by the dealer are supplied to dealers without cost. Window valances are supplied at a very low cost.

Sprague, Warner & Company are the country's largest distributors of food products sold exclusively through selected independent agency dealers. In its entire history the company has never once deviated from its rigid policy of selling only to selected independent dealers. Its distribution covers every state of the Union and all dealers are contacted at regular intervals by Sprague, Warner salesmen.

The company has shown a consistent, steady growth for sixty-eight years, without national advertising. Its objectives are increased volume, a higher rate of turnover, enhanced prestige for established dealers, and the Sprague, Warner products and more extensive stocks in existing outlets. Some new dealers will be added in communities not now served.

The advertising problem was complicated by the fact that Sprague, Warner markets three complete lines of goods under the brands of Richelieu, Ferndell and Batavia. Each of these three lines of foods is identical except for the differences in the labels. Each line contains 568 items and any given item under one of these three brands is exactly the same as the corresponding item under each of the other two brands. Each agency dealer carries but one of the three brands. Each advertisement will feature the three brands and will make clear that the three brands are identical save for the three labels which they bear.

Sprague, Warner has always "leaned over backwards" in its policy of protecting its agency dealers and it has long provided an unusual degree of assistance and service to its dealers in meeting all of their problems.

For example, in the plant at Chicago a model store is maintained, to which visiting dealers come by the hundreds to study such matters as store layout, arrangement and display of goods, the latest ideas in mechanical equipment and the proper proportion of stock to insure the highest rate of turnover. Every factor in the management of an efficient grocery store has been studied and illustrated with the greatest care.

(*Continued on page* 120)

Sprague, Warner is one of the concerns that has cast its lot with the independent dealer exclusively. Under no conditions will they sell chain organizations.

How Metalcraft Grabbed a Popular Idea and Merchandised It

BY G. ANDERSON ORB

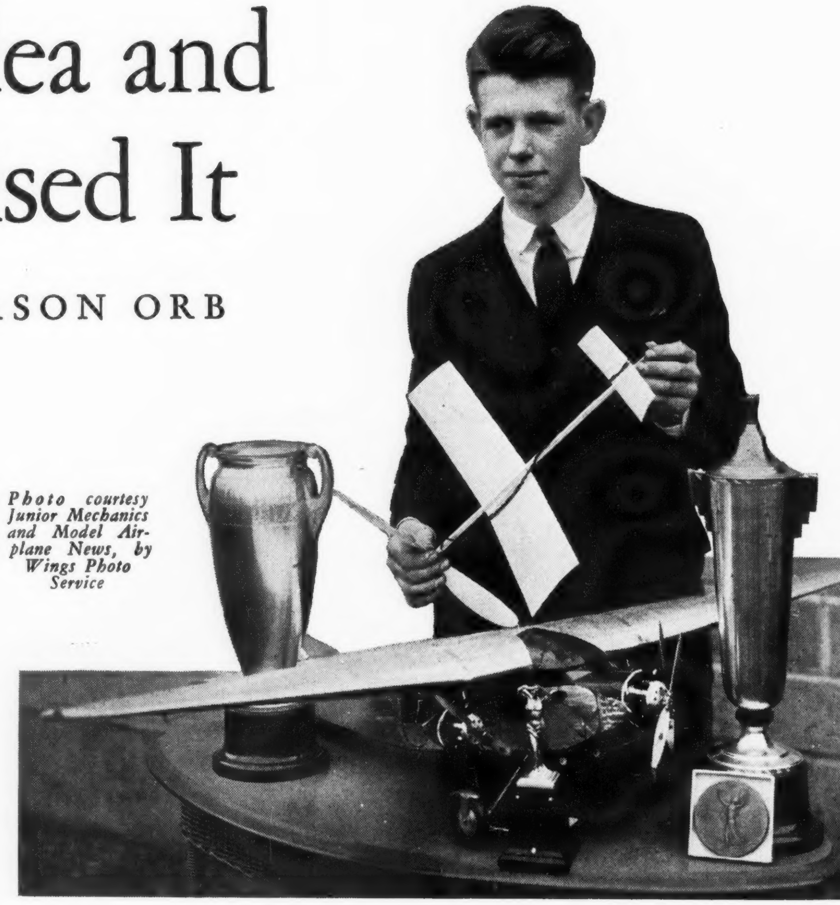


Photo courtesy Junior Mechanics and Model Airplane News, by Wings Photo Service

The organization of clubs among air-minded boys was a leading factor in the Metalcraft sales plan. (Above) Joseph Ehrhardt, St. Louis, high point winner in the first annual National Indoor Model Airplane contest.

THE steadily growing sales of the Metalcraft Corporation, St. Louis manufacturers of toy airplane construction sets, is based primarily on the fact that this company seized upon the popular interest in aviation almost as soon as it flared up, and began designing toys to capitalize on it.

In 1927, this firm was manufacturing wheel toys, tricycles, scooters and wagons, for sale in the toy departments of various stores over the country. The business was subject to all of the uncertainties of a special class of merchandise whose distribution rested upon a few peak sales periods around Christmas and early spring. It was subject to the keenest kind of competition, with the possibility of some other manufacturer coming to the front with another toy just a bit newer, or to a cut in prices that would be disastrous or endanger the volume of Metalcraft.

Then in May, 1927, Lindbergh made his flight and almost overnight the world became air-minded. And to no one does the romance of aviation make as much of an appeal as it does to the boy from eight to sixteen years of age. In September, 1927, The Airplane Model League of America was organized by one of the leading boy's magazines, backed by the National Aeronautic Association. The interest of the youth of the country in this new form of transportation was fairly aflame.

In this interest lay Metalcraft's opportunity. An odd assortment—or what appeared to be such—of nuts, bolts, strips of metal, and tiny screws, appeared upon the desk of Garvey Lyons, then president of Metalcraft. But when this assortment of pieces were put together, they formed a miniature model of Lindbergh's "Spirit of St. Louis."

Almost immediately Metalcraft pushed to completion some construction sets and delivered them to the toy buyers. These met a prompt and whole-hearted welcome both from the retailers and, better yet, from the boys who got them. No time was lost! Dies were perfected for other models, airplane equipment added and larger sets were planned.

Metalcraft now had a product which could be standardized, and merchandised under a trade name for which a popular demand could be created.

Knight, Dyscart, and Bixby—part of the original group who financed Lindy's flight—became interested and are now stockholders in Metalcraft.

Riding the wave of popular thought and losing not a day in making the most of each particular trend, Metalcraft Corporation continued perfecting machinery for larger and larger production, as they kept bringing out new models for the boys.

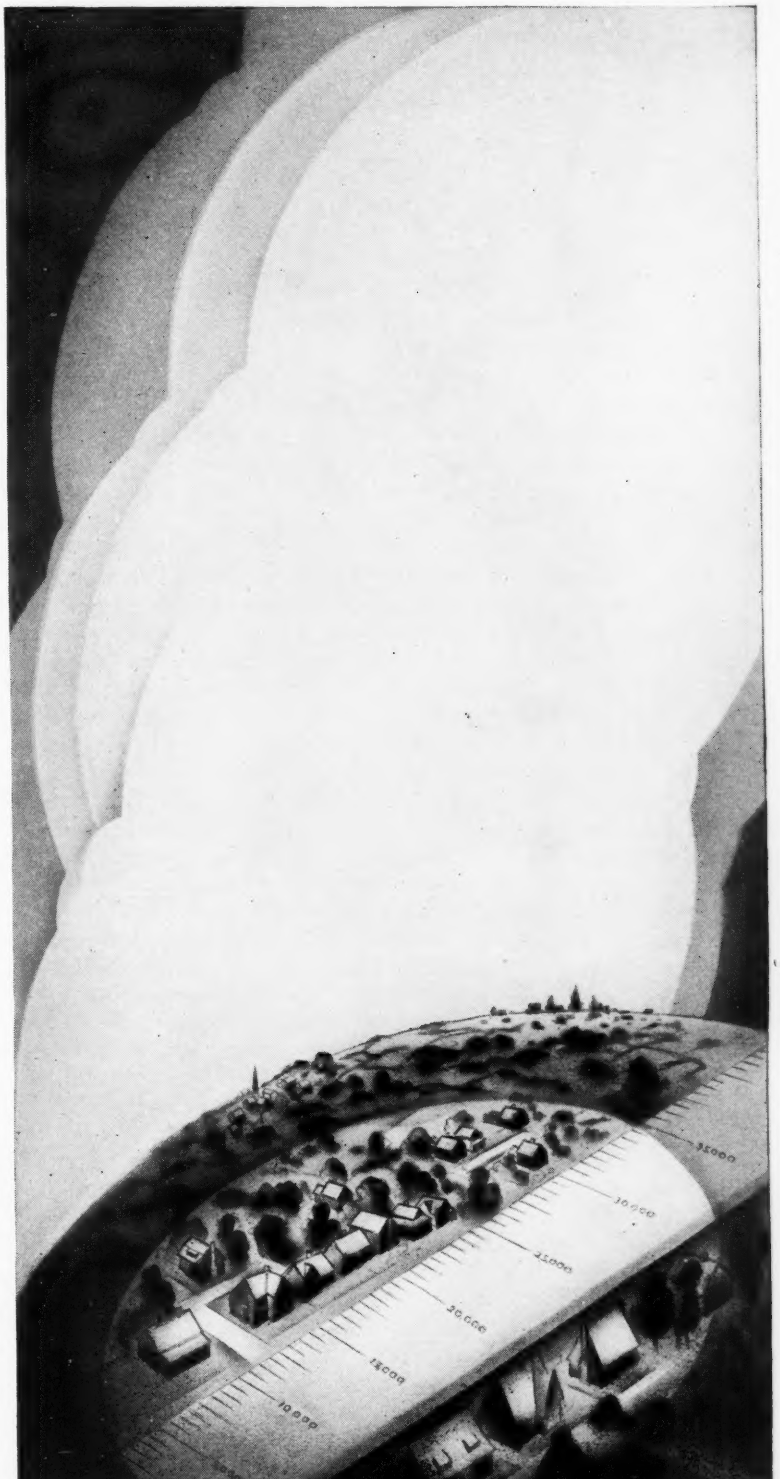
In February, 1928, Mr. Lyons went to New York. A zeppelin was flying over the city. In August, Metalcraft was selling toy zeppelins. This is but one instance of their method of acting on the trend of the moment.

In the early fall of 1927, the toy airplane business was practically negligible, by February, 1928, it had jumped to around $300,000 retail—in about three months—while 1928 saw Metalcraft alone wholesaling some $400,000 of toy airplane construction sets.

But in spite of this growth, there came a general lull in aviation popularity and Metalcraft was in danger of being shoved back into the ranks of ordinary toy manufacturers. Leaders of Metalcraft recognized this danger, and even in the earlier part of 1928, they were casting about for a merchandising plan that would put them solidly in the lead in the juvenile

(*Continued on page* 112)

THE McCANN INDEX



a working tool to measure buying power, produced by scientific analysis of market potentials, and checked with sales of manufacturers having national distribution.

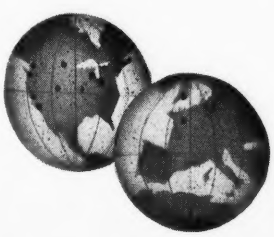
The purchasing power of the United States, by counties, is measured by the McCann Index. After its development by advanced statistical methods (without the use of conjecture) it was found to be notably accurate as checked with the combined sales of a number of nationally distributed articles.

This new working tool is used in figuring sales quotas; in detecting weak spots in distribution; in allocating advertising expenditures; in examining the character of media circulation, and the like.

Where the Index is to be used in measuring the market for an individual commodity, it is made applicable by introducing additional factors appropriate to the product involved.

We have therefore in this work both a general index and a method for the determination of any number of specific product indices.

A booklet has been prepared describing the Index which will be sent upon request. Address the Markets Division. Or, if you desire, we shall be glad to explain the application of the Index to the advertising and marketing of your product.



THE H·K·McCANN COMPANY

ADVERTISING

New York, Montreal — Chicago, Toronto — Cleveland, Winnipeg — San Francisco, Vancouver — Los Angeles, London — Seattle, Paris — Denver, Frankfort o. M.

Does the Tire Business Represent America's Worst Managed Industry?

A continuation of the series of articles on "What Price Profitless Sales," in the course of which an endeavor is being made to point out the problems, errors and poor results which obtain with certain industries and companies in order that those companies active in other lines may seek to profit by "outside" experience.

BY RAYMOND BILL

IF the heading on this article sounds like treason to the tire business, then let the tire industry make the most of it. It is high time that mismanagement of an industry as a whole should be paraded before industrial and financial leaders, yes, even before the investing public. Destructive, nonsensical competition has ruled so long in the tire field that today virtually every company in the industry is in a shaky position as to its current profit and loss and its general soundness for the morrow.

If the tire market had flown afar, was being shrunk by inroads of a competitive product, was overwhelmed with a gigantic world-wide oversupply (such as exists in sugar and coffee), or even if the consuming market had subsided a substantial percentage—there might be some excuse. But since none of these "evils" prevail, and since there are now over 26,000,000 motor vehicles in America alone to be served with rubber (the largest registration in history), there is not much in the way of alibis to hide behind. Incompetent management under such circumstances must face the consequences of its own shortcomings and sooner or later be literally ousted from office by the stockholders or do a right about face and learn how to "cooperate" with competitors to the end that merchandising methods, policies and practices will be constructive, and reasonably profitable for the rank and file of the industry.

The tire industry, despite its current lack of profits, will not go out of business. Tires must be made to serve a gigantic market. Tires are an essential; even modern mileage requires an average of about two tires for every automotive vehicle in active service. But stockholders cannot long abide with or by intolerable management. If a widespread upheaval in executive circles is to be avoided, there must be immediate amplification of the spirit of live and let live; there must be general recognition of the futility of price-war competition; there must be less personal animosity between the head officials of the principal tire companies; there must be more cooperation and less back-biting (which begets more of the same).

The tire industry has been almost constantly demoralized during the past ten years, mainly because it has lacked individual leadership in the form of an outstanding company factor or in cooperative action through the medium of a trade association. For years what has been known as the "big five" tire companies (Goodyear, Goodrich, Firestone, United States and Fisk) have set the pace for the industry, but each company in itself has been equally influential in determining trade policies, practices and general operations. The result has been that whatever one of these companies did the others, if it were to their advantage economically or for "policy" reasons, could do also. A price cut by Firestone, for instance, would bring similar action by the others, and, following them, the entire industry. It has been frequently contended that at times if the individual company initiating a price decline had been ignored in this action by the other four of the "big five" the industry could have maintained its prices at higher and profitable levels. This fact was brought out recently when it was pretty generally agreed that the tire manufacturers would not follow the lead of the mail-order concerns and reduce their prices. The manufacturers, it is reported, virtually agreed not to cut, but, with the explanation that raw material prices were lower and manufacturing operations more economical, one of the "big five" announced a reduction. The others all followed, some going beyond the reduction of the company initiating the move or camouflaging the cut by revising trade discounts so that the dealer's costs would be reduced and he would be induced to "meet competition."

Petty jealousy and intense rivalry between factors prevented concerted trade action of benefit to the industry as a whole through the operation of a trade organization. For twenty-two years the rubber manufacturers have supported some kind of a trade organization, but aside from the compilation of statistics (the accuracy of which has often been questioned) this association has done little to stabilize the business. "Politics" has been the brake on the association's activities. One manufacturer-member or a group of members would see to it that no policy was annunciated by the organization that was likely to be harmful to his or its particular interests. As an example, when balloon tires were introduced in 1924-25, it was impossible to limit the number of different sizes in which the new

Kelly-Springfield

	1925	1926	1927	1928	1929
Net income	$1,452,577	—$3,439,800	$357,741	—$2,490,513	—$1,346,417
Capital	29,890,500	24,470,562	24,251,840	25,424,431	27,130,101
Per cent profit per dollar capital..	4.87	14.02	.15	—9.78	—4.96

Company showed a substantial loss last year and there is no information currently available to indicate any material change in the situation as regards this company.

Why the Tire Business Has Not Prospered

Petty jealousies
Price uncertainty
Intense competition
Lack of cooperation
Vacillating policies
Periodic overproduction
Too much individualist action
Multitude of tire sizes and styles and types
Failure of organized action through a trade association
Rebates and discounts to dealers encouraging price-cutting
Expense of competing directly with dealers for consumer business
In too many cases production and financial men sponsoring merchandising procedure
Abuse of dealer relations—commercial and national accounts, bus and taxi business
Lack of dominating leadership, in the form of either an individual or a company or an association
Failure to protect independent tire merchants from the standpoint of giving them a fair opportunity to make a reasonable profit.
Small profits on volume orders, such as original equipment business from motor car manufacturers, mail order houses, the big oil companies for their filling stations, etc.
Creation of company owned or controlled service stations in which the capital investment is with relatively few exceptions way out of proportion to the possible profits let alone the probable profits.

tires should be made because of the varied desires of the members. As a result, there was such a multitude of sizes made that thousands of dollars were expended by the manufacturers for mold equipment only used a short time before being abandoned because of the obsolescence of sizes. Further losses were entailed by dealers whose stocks quickly "went out of demand," and tremendous investments were required of the tradesmen who desired to carry a complete stock of tires. Inability of the manufacturers to work harmoniously accentuated the "crude rubber crisis," when the British Colonial Office adopted the Stevenson Act restricting the export of crude rubber from the Far East and brought a rift in the association through the withdrawal of the membership of Firestone.

Indicative of the inability of the trade association to function because of the "policy" attitude of its members is the fact that the efforts of the association to publish a "standard" repair manual brought forth a manual in which three or four distinct repair methods are described. Three of the larger companies insisted that their repair methods were best and would not consent to the publication of a manual not including a description of these systems. The industry was looking for a uniform repair method and the association handed it three or four methods, each of which had been in practice for some time.

The association's statistical work was designed to prevent overproduction and to serve as a guide in plotting the production curve of the industry, but despite heavy inventories which reports of the association indicated, individual factories and the industry continued at times to turn out as many tires a day as its manufacturing facilities would permit. During the last ten years there have been numerous occasions when extremely heavy inventories have seriously embarrassed the industry. There has been an absence of a serious effort to regulate output to potential demand. The result has been that heavy inventories have brought unloading practices which have demoralized prices and seriously handicapped smaller manufacturers.

It has frequently been contended that questionable merchandising practices have been the result of the destinies of some of the larger companies being in the hands of "production" men, men schooled in factory operation but almost entirely lacking in trade knowledge. These executives, having in mind chiefly the ability of their plants to turn out quantities of tires, created problems for the subordinate executives responsible for the marketing of these tires. Consequently, the latter at times have been hard-pressed in passing on finished merchandise to the trade.

The industry has been marked through the vacillating policies of its leading factors. Its relations with dealers have been uncertain because of the frequent changes made in the arrangements under which tires have been sold. Ten years ago it was recognized that there were too many retail outlets for tires; that the manufacturers were so anxious to establish channels of distribution that tires would be sold wholesale to practically anyone indicating a desire to handle them. Grocery stores, hardware shops, furniture houses and department stores were recognized as just as desirable avenues of reaching the car owners as were tire specialists, car dealers, garage operators and gasoline stations. The result was that the field

U. S. Rubber

	1925	1926	1927	1928	1929
Net sales	$206,473,737	$215,528,309	$193,442,945	$193,480,121	$192,962,040
Net income	14,291,152	5,208,800	5,323,113	—10,781,255	576,009
Per cent profit per dollar sales....	6.90	2.42	2.75	—5.56	.3
Capital	308,512,889	301,076,541	297,305,957	299,593,472	270,233,791
Per cent profit per dollar capital...	4.63	1.73	1.79	—3.60	.21

It is reported this company will show a deficit for the first half of 1930 as against a net profit of $596,000 for the first six months of the previous year.

Firestone

	1925	1926	1927	1928	1929
		(Years ending October 31)			
Net sales		$144,397,626	$127,696,759	$125,664,666	$144,585,804
Net income		6,056,217	13,215,522	6,507,702	7,694,918
Per cent profit per dollar sales		4.20	10.35	5.19	5.32
Capital			91,639,794	102,100,143	150,674,201
Per cent profit per dollar capital...			14.42	6.37	5.11

Comparisons are not entirely practical because relatively short time securities have been listed on the New York Stock Exchange. Net income for six months ending April 30, 1930, amounted to only twenty-three cents a share, whereas dividend requirements amount to eighty cents a share. It seems doubtful if the company will do as well in the next six months, meaning that it will not have earned the dividend on its common stock.

Goodyear

	1925	1926	1927	1928	1929
Net sales	$169,470,112	$230,161,358	$222,178,540	$250,769,209	$226,227,067
Net income ..	21,005,892	8,799,139	13,635,667	13,327,844	18,614,375
Per cent profit per dollar sales....	12.39	3.82	6.13	5.32	8.22
Capital		182,595,827	197,796,240	194,927,218	208,668,839
Per cent profit per dollar capital...		4.81	6.9	6.85	8.93

Indications are that earnings approximated $1.75 a share in first quarter of 1930 and will be about the same in the second quarter. In the first half of 1929, the company earned $7.02 a share, indicating substantial falling off on a percentage basis in profits of the largest company, with the best earnings record of recent date on percentage of profit per dollar of sale, and percentage of profit per dollar of capital.

Goodrich

	1925	1926	1927	1928	1929
Net sales	$136,239,527	$148,391,478	$151,684,961	$148,805,179	$164,494,957
Net income	12,744,448	5,065,110	11,780,307	3,513,023	7,446,310
Per cent profit per dollar sales....	9.35	3.42	7.77	2.36	4.52
Capital	83,249,641	100,370,533	101,473,720	98,182,322	129,434,902
Per cent profit per dollar capital...	15.31	5.05	11.60	3.58	5.75

Reported sales for first quarter of 1930 for all lines except tires in excess of sales for first quarter 1929. Nevertheless, reported loss for first quarter and indications are that June price reductions will greatly affect earnings for second quarter. First six months of 1929 the company earned $4.09 per share. During year acquired Hood and Miller, both forced into mergers largely through their own poor records.

Fisk

	1925	1926	1927	1928	1929
	Ending 10-31	Ending 10-31	14 months		
Net sales	$74,900,373	$68,051,739	$72,404,002	$60,933,841	$52,790,426
Net income	6,166,752	3,354,432	2,620,722	—8,791,252	—7,496,458
Per cent profit per dollar sales..	8.25	4.92	3.62	—14.42	—14.20
Capital	49,120,520	58,184,192	58,524,402	48,275,610	54,781,075
Per cent profit per dollar capital..	12.55	5.77	4.48	—18.20	—13.68

Showed a loss in the first six months of 1929 of over $236,000 and it is indicated will show substantially greater loss for the first half of the current year.

was overcrowded and retailers were having difficulty selling at a profit because of intense competition.

While the mortality among tire retailers has been tremendous during the past few years, the field is still overcrowded and competition among retailers has been intensified by the manufacturers directly competing with them through expensive company-owned service stations and through making tires for mail-order and chain-store organizations. For years the morale of the tire dealer has been lowered through the manner in which the manufacturers have handled the so-called national and commercial account business as well as the sale of tires to bus lines and taxicab corporations.

A commercial account is recognized as one having more than five vehicles in service, while a national account, as its name indicates, is one having a fleet of vehicles operated in various parts of the country, the tires for which are purchased through a central point. Discounts vary with these accounts and the individual dealer is encouraged to solicit this business, but the manufacturers make it impossible for him to get the business by soliciting it direct and at prices below those quoted to the dealers. Buses and taxis are equipped, in most cases, with tires purchased on a "mileage basis," at a price which is considerably below that which the dealer could quote or on a rental basis, which requires a service organization prohibitively expensive for the dealer. Dealers who for years efficiently handled commercial accounts have had this business taken away from them by the very manufacturers whose tires they sold who have quoted below the dealers' prices. Competition for bus business at one time was so intense that manufacturers would quote prices below their costs with the hope that a competitor would bid still lower, get the business and suffer a loss. One company spent $50,000 in an effort to get a traction line account in the Middle West, dropped the proposition when it succeeded in getting another company to bid so low that the second company never had a chance to make a profit when it obtained the business.

Original equipment business, that is tires for use on new automobiles and trucks, has rarely been known to be profitable, being solicited in the early days because of the "advertising value" it had and the possibility it held of bolstering replacement sales. The advertising value is now questionable and it has been proven that

(*Continued on page* 118)

Wisconsin Court Brands Exclusive Retailer Contract Illegal

Because Sales Management has received a number of inquiries about the recent Wisconsin Supreme Court decision in the General Cigar and G. H. P. Company case, this analysis is presented in some detail. This interpretation of the exclusive dealership may have far-reaching importance to other manufacturers.

IN holding as illegal a selling plan whereby a manufacturer, in co-operation with a wholesaler, contracts with retailers to sell a line of goods exclusively, the Wisconsin Supreme Court recently rendered a decision that may seriously affect the methods of certain so-called voluntary chains. The nature of the action, according to the decision, was to enjoin the General Cigar Company and G. H. P. Company, Inc., from carrying out an agreement and practices "in violation of the statutes prohibiting combinations in restraint of trade and tending to create monopoly."

The sections of the Wisconsin statute on which the case was based are almost identical with sections one and two of the Sherman anti-trust law. And because variations of the selling plan condemned are rather widely practiced and are well adapted to the merchandising of certain lines, the decision has national significance.

The decision related that the defendants, including the Lewis & Leidersdorf Company, cigar jobbers of Milwaukee, in 1927 combined and conspired to monopolize or attempt to monopolize the wholesale cigar trade in Milwaukee County, and to restrain and prevent competition in the wholesaling of cigars. It also charged that the defendants were still acting under the "conspiracy," were unlawfully restraining trade and creating a monopoly, and would continue to do so unless enjoined.

The selling plan that was the cause of this sweeping condemnation involved a contract with 170 retailers whereby they agreed to buy their entire stocks from the Lewis & Leidersdorf Company and to display for sale, as the company designated, certain brands sold by the manufacturers. This number of dealers is included with approximately 450 retail stores and stands that the court considered are the common outlets for cigars in Milwaukee.

To induce the operators of outlets to enter into the contract, the decision explains that Lewis & Leidersdorf agreed to give them special discounts in excess of those allowed to non-contracting dealers, and to take back unsalable goods.

It is also explained that the company is the largest jobber of cigars in Milwaukee, has the exclusive handling of more brands than any other house, and by reason of the arrangement with the defendant manufacturers occupies a dominant position in the wholesale tobacco business in Milwaukee. "The other jobbers each handle only a few brands, and alone none can furnish sufficient variety to retailers to enable them to conduct business successfully."

By reason of the agreement among the defendants and the use of the contract with dealers, the court held that the Lewis & Leidersdorf Company supplied to retailers complete stocks adequate for successful business, comprising a majority of the leading brands in the market, and has destroyed the greater part of the wholesaling formerly done by manufacturers and other jobbers in Milwaukee with the retailers operating under the exclusive contracts. The decision then adds: "The use of said contract is intended to and its operation does and will continue to eliminate from the retail trade in Milwaukee all brands of cigars not exclusively handled by the defendants, and is intended to create and its operation is creating a monopoly by the defendants of the sale of cigars in Milwaukee."

Another point emphasized by the court as restraining trade was the contract between the manufacturers and the Lewis & Leidersdorf Company which gave to the company a discount sufficient to enable it to resell the manufacturers' brands at the special discounts provided for by the exclusive contracts with dealers. It was also charged that the manufacturers sold this company exclusively on certain brands, and at lower prices on other brands than they would sell other jobbers in the market.

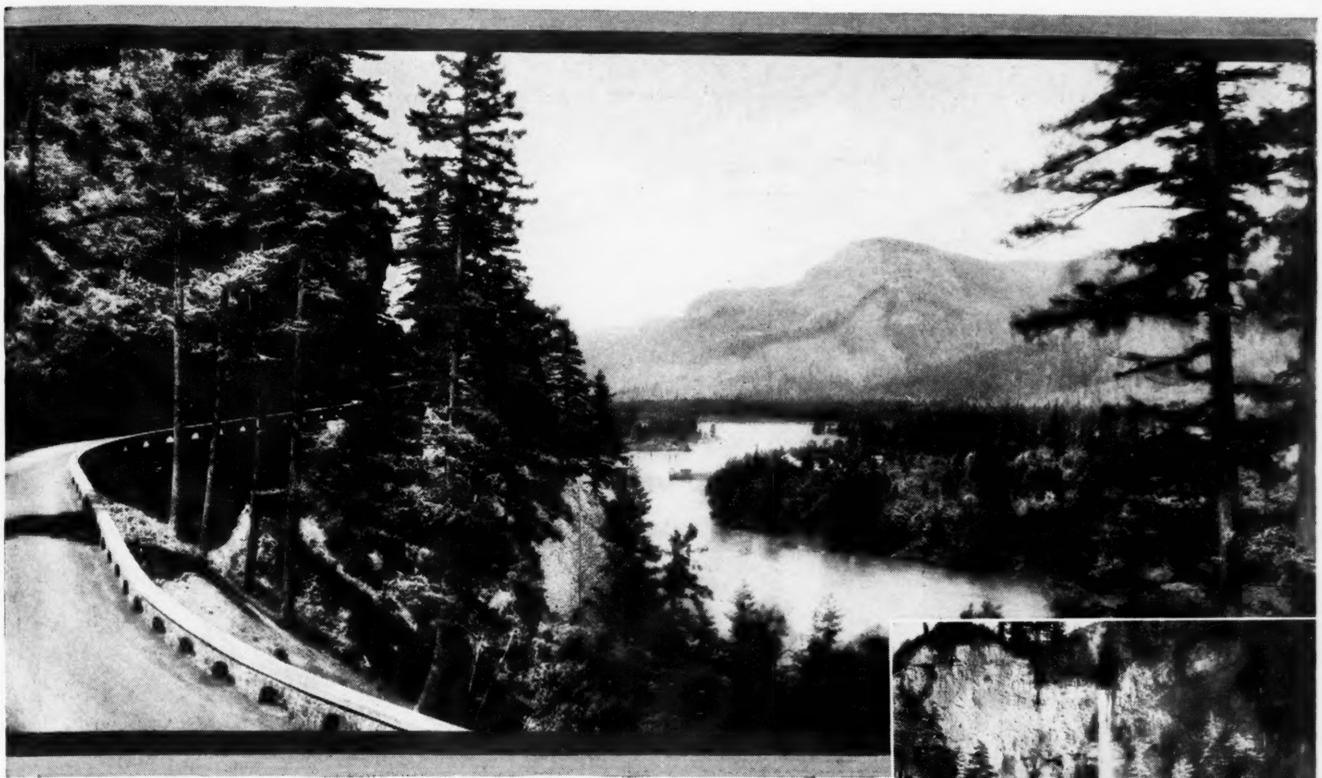
It was contended by the manufacturers that the statute is intended to ban only those combinations which fix or limit price or quantity, and that the provision respecting supply is material only because it affects price. "This contention," the decision observes, "is based on the history of the development of the common law doctrine condemning monopolies." It then cited several U. S. Supreme Court decisions to support the allegation that conspiracy to restrain competition in supplying cigars to retailers so as to eliminate all kinds of cigars not exclusively handled by the defendants is within the prohibitions of the statute, and continued:

"Prejudices Public Interest"

"The necessary effect of this is to deprive the public of choice in the cigars they will buy, and to cut off supply from the portion of the public who prefer brands of cigars other than those supplied by the defendants. This idea is plainly within the language of the statute banning every combination 'intended to restrain or prevent competition in the supply or price of any commodity in general use in this state.' Control of price and quantity are especially mentioned, but control of supply in other ways than quantity is also covered. Under many decisions anything that 'prejudices the public interests by unduly restricting competition or unduly obstructing the course of trade' falls within the prohibitions of the statute."

The defendants further contended that injury to other jobbers of Milwaukee County through shutting off their competition is not within the prohibitions of the statute, and that only injury to the public is prohibited. However, the court held that the public does suffer injury by the cutting off of jobbers from the trade outlets essential to successful business, although the injury may not be due to the raising of prices. The opinion states that injury to competitors, as well as injury to the public, is under the ban of the statute, and quotes

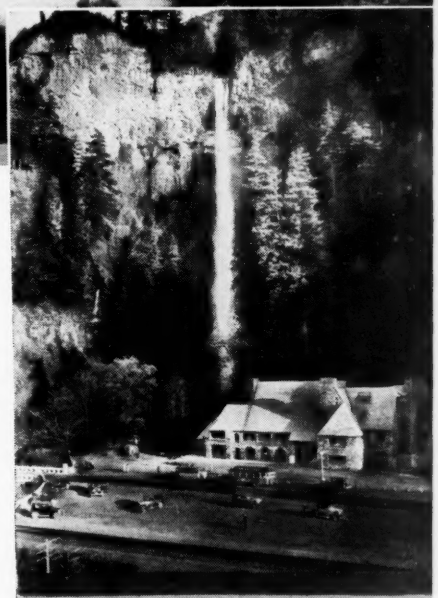
(*Continued on page* 104)



© Sawyer Scenic Photos, Inc.

Imagine yourself in a car traveling miles amid scenes like this over a highway that is as perfect as the scenery is matchless.

As much a part of Oregon as the *Columbia River Highway*



The world famous Multnomah Falls is a Columbia Highway spot that once seen can never be forgotten.

ON TO OREGON 1930

Geologists tell us that the waters of the Columbia River helped the Colorado dig its Grand Canyon. Then an upheaval diverted its course and the Columbia tore its way through a mighty mountain range and created a gorge of unique magnificence and grandeur. The people of Oregon have built a highway through this gorge which is one of the wonders of the West. ℭ Indigenous! That's the Columbia Gorge, and just as indigenous is The Oregonian. A definite part of the community it serves. It began when Oregon had less than 50,000 people —back in 1850. Now more than a million live in its trading area—300,000 in Portland alone—and The Oregonian's circulation is daily, 109,000; Sunday, 171,000. The largest circulation in the Pacific Northwest. The lowest milline rate on the Pacific Coast. Leads in circulation; in display advertising; in classified advertising! Used by 20% more display advertisers than any other Portland newspaper.

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The Oregonian.

PORTLAND, OREGON

For 80 years the preferred newspaper of Oregon People

New Wings Cigarette Increases "Big Four" to Five in Chicago

COMPLETE distribution through all the 12,000 tobacco outlets in Chicago and six surrounding counties of Illinois and Indiana and a sales volume comparable with the older fifteen-cent cigarettes has been achieved by Brown & Williamson Tobacco Corporation, Louisville, in the introduction of its new Wings cigarette there, J. C. Williams, department manager in charge of the Chicago territory, has informed SALES MANAGEMENT.

Aided by a staff of fifty salesmen, by dominant advertising space in all the English-language and the thirteen foreign-language Chicago newspapers, a full showing on twenty-four sheet boards and elevated car cards, by window display and radio broadcasting, distribution in the entire 12,000 outlets was secured between June 9 and 14, Mr. Williams said. The campaign—the largest ever put on by a tobacco company in that territory—has been continued with undiminished intensity.

Start with Teasers

Starting with a "teaser" in the earlier days of that week, the cigarette was formally announced in seven-column space.

A large advertisement was used every day in all papers during the introductory period of the campaign when the cigarette was introduced through a special introductory offer of two packs for fifteen cents. Succeeding advertisements have also been "dominant." The advertisements following this introductory offer have been either five columns by 250 lines or six columns by 250 lines, and have appeared three times a week.

Wings retail at fifteen cents a package—wholesale $6.40 a thousand, the same wholesale price as for the other leading brands.

The $100 tax imposed on the sale of cigarettes in Chicago tends to eliminate the "illegitimate" dealer and for this reason the 12,000 outlets represent complete coverage, not only of tobacco stores but of drug, grocery and other dealers selling cigarettes.

Wings have been put on the market in two types of packages. A "wallet" pack embodies the cigarette case idea employed by Brown & Williamson's eighteen-cent Raleigh brand. This "wallet" pack is intended to afford each cigarette perfect protection. A "twin tens" pack contains two small packages of ten cigarettes each, held together by a glassine wrap. One package of ten cigarettes is kept intact while the other ten are being smoked. The smaller packages may be tucked into vest pocket or handbag.

A large advertisement was used every day in all papers during the introductory period of the Wings campaign and to stimulate interest in the two types of packages being used a voting contest was conducted with the results announced daily.

To stimulate interest in both packages, Brown & Williamson has conducted a "voting" campaign. Six attractive girls in aviatrix costumes have been interviewing smokers in prominent places throughout Chicago and securing their vote on whether or not they prefer the "wallet" or "twin tens" pack. The results of this voting contest are being announced daily in the newspapers through another series of advertisements.

The slogan for Wings is "the air-cooled cigarette." By a new process Brown & Williamson air-wash all of the tobacco used in manufacturing Wings cigarette—eliminating dust, grit, burns and other impurities, and making the cigarette cool and smooth.

Plans for extension of the sale of Wings to other cities have not yet been announced.

Vineyardists Employ Movies for Promotion

In an effort to stimulate "wet" sentiment, the Italian Swiss Colony, a grape and grapejuice selling organization, members and vineyards of which are in Sonoma, Napa and Mendocino counties of California, have prepared a motion picture depicting the early history and scenic panoramas of the grape growing colony, with so-called pre-prohibition views of its winery at Asti, California, in full operation. Enrico Prati, vice-president and sales manager, is touring eastern states, to arrange showings.

Another Industry Invests in Systematic Retail Sales Training

More than 4,000 dealers and their salesmen have enrolled in the Save the Surface training course. The course is designed to accomplish five objectives:

1. Emphasize the necessity for getting an accurate idea about each customer's needs.
2. Train men how to advise buyers on preparation of surfaces, use of colors, etc.
3. Show salesmen how to meet objections usually encountered in selling.
4. Train clerks to increase the unit of sale by suggestive selling.
5. Show dealers how to cooperate more effectively in merchandising advertising and dealer helps offered by manufacturers.

BY HERBERT KERKOW

A THREE-FOLD training problem was faced by Save the Surface Campaign, the organization responsible for the cooperative paint and varnish campaign, in their effort to get control of the industry's share of the consumer's dollar and reduce the cost of distributing paint and varnish.

Retailers and their sales clerks had to be trained to do a more effective job of public contact. Master painters needed training also and, finally, manufacturers' and wholesalers' salesmen had to be equipped to cooperate more effectively with these two retail outlets.

The paint retailer, because of the multiplicity of lines carried, is at worst a storekeeper. At best, he is a merchant, rarely a merchandiser. The master painter is more of a craftsman than a business man and still thinks in terms of wages rather than of profits.

In order to find out definitely how to train these important links in the sales chain, Save the Surface Campaign engaged a professional research organization to study the field. For 186 retail stores thoroughly investigated, the following ratings were established:

1. Desirability of location and neighborhood, considering size and type of establishment—83 per cent, good.

2. Appearance of paint on outside of building—79 per cent, fair.

3. Attention-attracting qualities of window display—63 per cent, poor.

4. General appearance inside—75 per cent, fair.

5. First impression created on entrance—74 per cent, fair.

6. Orderliness and attention value of paint display—61 per cent, poor.

7. Apparent adequacy of paint stock, considering size and type of establishment—91 per cent, excellent.

8. Condition of paint stocks —82 per cent, good.

9. Apparent practice in regard to determining the customer's exact paint needs—64 per cent, poor.

10. Apparent practice in regard to advising and helping customers—66 per cent, poor.

From these ratings, it was concluded that the appearance, stock and merchandising policies of the average retail paint store were on a much higher level than the skill and personality of the salesmen. It was also concluded that the average retailer had leased a store in a fairly high rent zone, but had not capitalized the full value of his location, particularly as to exterior, window display, interior and entrance.

Salesmen in these stores were rated on their skill and personality. These ratings were made:

1. General appearance and manner of speaking—64 per cent, poor.

2. Skill in cultivating customer's respect and goodwill—61 per cent, poor.

3. Skill in asking questions to secure needed information—58 per cent, very poor.

4. Skill in making helpful suggestions—56 per cent, very poor.

(*Continued on page* 114)

THESE **10**

Trimmed Sizes

FOR

Printed Pieces

CUT WITHOUT WASTE

FROM

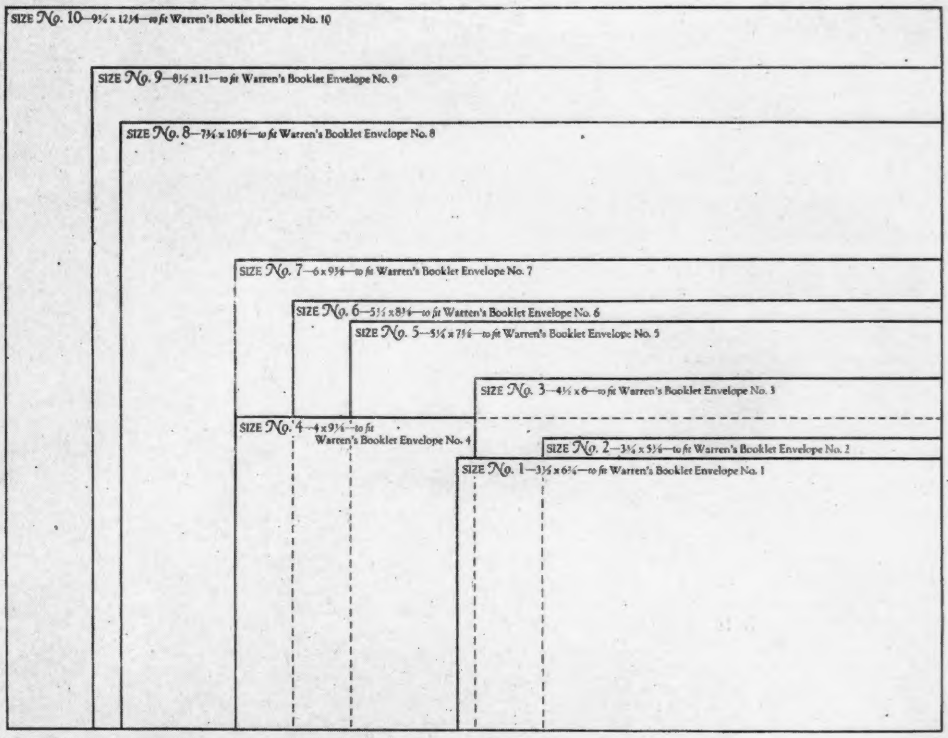
4 paper sheet sizes in stock

26 x 29
25 x 38
32 x 44
35 x 45

and WARREN'S BOOKLET ENVELOPES to fit are carried in stocks of paper merchants handling Warren's Standard Printing Papers.

Use

SIZE *No.* 1—For envelope enclosures
(Fits Warren's Booklet Envelope No. 1) Cuts from 26 x 29
SIZE *No.* 2—For small booklets or folders
(Fits Warren's Booklet Envelope No. 2) Cuts from 32 x 44
SIZE *No.* 3—For folders or small booklets
(Fits Warren's Booklet Envelope No. 3) Cuts from 25 x 38
SIZE *No.* 4—For letter enclosures
(Fits Warren's Booklet Envelope No. 4) Cuts from 25 x 38
SIZE *No.* 5—For pocket size pieces
(Fits Warren's Booklet Envelope No. 5) Cuts from 32 x 44
SIZE *No.* 6—For booklets and small catalogs
(Fits Warren's Booklet Envelope No. 6) Cuts from 35 x 45
SIZE *No.* 7—For catalogs and booklets
(Fits Warren's Booklet Envelope No. 7) Cuts from 25 x 38
SIZE *No.* 8—For purchasing agents' pieces
(Fits Warren's Booklet Envelope No. 8) Cuts from 32 x 44
SIZE *No.* 9—For filing size pieces
(Fits Warren's Booklet Envelope No. 9) Cuts from 35 x 45
SIZE *No.* 10—For large area pieces
(Fits Warren's Booklet Envelope No. 10) Cuts from 25 x 38



The actual size of this chart is 11" x 17"

Fit your booklet sizes to the Warren chart and *save money*

YOUR booklet and someone else's may not differ much in size. Perhaps only a fraction of an inch each way. Yet one of them cost a lot more to print than the other.

Why? Just because that fraction of an inch made one booklet a non-standard size. Special-sized paper and special envelopes had to be made. The job required special handling throughout.

Your printer doesn't make money on these special operations. But he has to charge you for them. They're part of the overhead that odd-size jobs always entail. And they do come high!

Why not avoid this extra cost? It's easy enough to do. And the quality of your mailing pieces won't suffer.

Just ask your printer for the new Warren Chart of Sizes for Mailing Pieces. It carries actual-size diagrams of mailing piece sizes—plenty for all practical needs. There's a swatch of envelopes, too, showing sizes that fit each mailing piece.

Keep the Chart right under the glass on your desk. It's a handy size—only 11" x 17". When you want to get out a booklet or folder, just select the size you need—and have your dummy cut to fit.

That dummy will be standard. It will fit Warren standard envelopes. It will cut without waste from standard sized paper sheets. And those sheets fit standard presses—no waste press area.

No waste time, either. Standard sheets and envelopes are always on hand at the paper merchant's. Your printer can get them at a moment's notice. He's not held up by slow delivery. And he can give his whole time to turning out a really fine job for you.

Ask your printer for one of these Charts. Keep it handy where you can use it. It will save lots of trouble in planning mailing pieces—and you'll be helping your printer to save *your* money.

If he can't supply you, write direct to us.

REG. U.S. PAT. OFF. Warren's STANDARD Printing Papers

S. D. WARREN COMPANY, 89 Broad Street, Boston, Massachusetts

Sales Management Bookshelf

"Credit, the Magic Coin of Commerce." By Maxwell Droke. (Business Letter Institute, Inc.)

Maxwell Droke in "Credit, the Magic Coin of Commerce," has three purposes: to impress business with the importance of credit and the credit manager; to tell what to do about its collection; and finally to hint, unobtrusively and by inference, how the Business Letter Institute, Inc., can help any business in its collection problems.

In more than 200 pages, well printed and bound, he accomplishes these purposes. While his praise of the magic coin may be inspirational to the credit collecting fraternity, the real heart of this valuable book is the discussion devoted to collection letters. Mr. Droke mars his book somewhat by stylized prestidigitation. He says, "The Path You Will Travel in Reading This Book" for contents. He talks about the three C's, Character, Capital, Capacity. He calls a credit manager a Pilot of Progress. When he flips his magic coin he ought to call it.

"The Sales Expansion Question Book." By Ray Giles. (Harper & Brothers, $3.00.)

The popular question and answer book and the old Socratic method of teaching find a meeting ground in The Sales Expansion Question Book. Mr. Giles developed the 695 questions which make up this book through long years of dealing with manufacturers and their products in an advertising agency. He has found them so useful in planning merchandising campaigns that he passes them on to sales executives who wish to know more about their product and its possibilities. Here they will find posers on product, purchaser, plant, price, profit, sales department and all phases of merchandising and sales promotion.

"Personal Salesmanship" By R. Simmat (Isaac Pitman & Son.)

At a timely moment when thousands of potential salesmen are being polished off at schools and colleges, Pitman published Personal Salesmanship. Sales executives looking over this recently graduated host would do well to hand their choices this little book and save the young hopefuls the years of bitter experience it has taken efficient salesmen to learn the lessons in psychology here outlined.

"The Art of Business Thinking." By H. G. Schnakel and Alfred L. Sprecker. (John Wiley & Sons, Inc. $2.50.)

"The Art of Business Thinking," by H. G. Schnakel, accountant, and Alfred L. Sprecker, psychologist, presents nothing particularly new to any business executive who has been following current books on psychology.

To those, however, who haven't studied psychology since school days or who want a recapitulation of its practical tenets, this book is worth a reading. It covers the subject as thoroughly as a normal-sized book could, which for the purpose of the business reader is enough. The usual galaxy of subjects, memory, reasoning, habit, imagination and the nervous system are expressed wherever possible in terms of the needs of business thinking.

"Sensible Salesmanship" By Charles L. Low (G. P. Putnam's Sons.)

Dedicated to "salesmen who do not read," this sales kit in twelve units is designed to make these unliterary gentlemen avid readers. "Trick-stuff," "hot shot" and inspirational material have no place in this simple, straightforward little set of books. Although they are filled with knowledge which every salesman might use, Mr. Low offers no suggestions as to how to get the scorners of sales bulletins and other sales material to dip into his course.

"Cooperative Retail Buying Associations." By Wilford L. White (McGraw-Hill Book Company.)

Sales executives who have their eye on the constantly growing number of cooperative retail associations should dip into Professor White's Book. Here manufacturers and wholesalers interested in this movement will find not only the history and background of the movement, but also its causes, present strength, and methods of actual operation.

"Management Control through Business Forms." By Ladson Butler and O. R. Johnson. (Harper & Brothers, New York, $3.00.)

A decision that business could be expedited through better printed forms, an investigation covering hundreds of concerns, and a report endorsed by more than 5,000 executives gave rise to this book. It shows how to save managerial time, cut expenses, build sales, and speed up collection.

"Retail Salesmanship" By Cunliffe L. Bolling (Isaac Pitman & Sons, $2.25.)

The last link in the sales chain is under the sales manager's microscope these days and he is learning too often that here is the weak place in the sales chain. Here is a practical textbook designed to strengthen this weak link. This book is a dealer help that sales executives might point out to their dealers.

"Why They Buy." By Robert E. Ramsay. (Business Letter Institute, Indianapolis.)

The golden rule for turning better letters into superior letters is contained in this volume, where the interested sales executive will also find a plethora of capital letters, quotations and literary allusions.

"The Art of Advertising." By Manuel Rosenburg and W. Walker Hartley. (Harper & Brothers, $5.00.)

"The Art of Advertising," by Rosenburg and Hartley is, according to the blurb, "a survey of advertising." Running from "Selecting the Equipment" and "What Choice Technique" to "Drives by National Groups," the book is a collection of separate articles on various phases of advertising and advertising art, most of which have been written by men and women in this profession.

A better coordinated and more thorough study might have been made if the work had been that of one or two authors rather than the thirty or more who have contributed, but there is much material of value to be found in this book and the many reproductions of excellent advertisements will attract anyone interested in commercial art.

The book has been beautifully printed on heavy coated stock and the page size, nine and one-half by twelve and three-quarters, permits the reproduction of the advertisements in almost their original size.

"Business Reports." By A. G. Saunders and C. R. Anderson (McGraw-Hill Book Company.)

For the executive who wishes to effect changes in policies and methods, for the research director in coordinating the efforts of his staff, for the executive who wants all reports submitted in clear, readable form, two Illinois professors have prepared this volume. It covers the ground thoroughly, dealing with the nature, function and types of business reports, procedures and principles of investigation, and with the actual formulating and wording of the report.

"The Master Letter Writer" By Ad-Man Davison (Harper Brothers, $5.00.)

This encyclopedic compendium for the letter writer has already found its way to the shelves of many correspondents. A completely revised edition, the third, has recently been brought out by Harper and its price is a small one to pay for so useful a reference book. Three hundred letters, on almost as many subjects, sound rules for correspondence methods and two indices, one on subject and the other on classification, make this a valuable and easily used book.

"Control of Retail Store Operations." By Edwin A. Godley and Alexander Kaylin. (Ronald Press, New York, $6.00.)

A 458-page book filled with pertinent details, useful tables and charts and a complete index. That this book is worth its price is testified by a group of indorsers made up of such well-known men as Alvin Dodd, Sears & Roebuck; B. Earl Puckett, Frederick Loeser & Company, Inc., and Joseph J. Lerner, president, The Lerner Stores Corporation.

Nujol and Mistol Announce Change in Media Policy

As a protest against the differential between national and local advertising rates in certain newspapers, Stanco, Inc., New York, subsidiary of the Standard Oil Company of New Jersey, will cut out newspapers this fall in its advertising campaign for Nujol and Mistol, E. B. Loveland, advertising manager of Stanco, told SALES MANAGEMENT this week. The entire newspaper appropriation, which is estimated to run between $1,500,000 and $2,000,000, he stated will be shifted to magazines.

Stanco has not yet decided on its policy for Daggett & Ramsdell cosmetics, which it also advertises widely in newspapers, Mr. Loveland said, and its fourth Stanco line, Flit, an insecticide, is primarily a summer seasonal proposition. Decision on the plans for this product will be held over until next spring.

"At present Stanco is employing 3,500 daily and weekly newspapers on both Nujol and Mistol," Mr. Loveland explained. "Five hundred and fifty of these are in large cities.

"We are taking this step with some reluctance," he said. "In fact we would prefer to go back into newspapers, for we feel we need both newspapers and magazines adequately to promote our products."

Trade Commission Meets Wool Stock Graders

To eliminate "misrepresentation, commercial bribery, defamation of competitors and injurious price-cutting," members of the wool stock graders industry, which does an annual business estimated at $50,000,000, will meet with the Federal Trade Commission at the Hotel Martinique, New York, Friday, July 25. Commissioner C. W. Hunt will preside. A series of standards of practice will be adopted. Applicants for the conference represent about 80 per cent of the industry's annual volume.

Heads Clegg Lock Washer

C. H. Armstrong has become general manager of the Clegg Lock Washer Company of Chicago, in charge of production, marketing and administration. He was formerly director of trade extension of the Textile Bag Manufacturers Association and with the Duplex Printing Press Company, Battle Creek, Michigan.

The company will start a sales program on its new "Ded-Lok" washer soon.

Frederick P. Combier

Combier Vice-President of Electromaster, Inc.

Frederick P. Combier has become vice-president of Electromaster, Inc., Detroit, manufacturer of the new Electrochef cooking machine.

Until recently Mr. Combier was assistant to the president of Servel, Inc., and previously was vice-president and general manager of William Rogers Manufacturing Company, Ltd., Canada, and general manager of the William Rogers Manufacturing Company, division of the International Silver Company, Meriden, Connecticut.

Thousand Newspapers to Push New Chrysler

One thousand newspapers in 767 cities, nine general, seven class and five farm magazines will be employed, starting this week, by the Chrysler Corporation to announce its new eight-cylinder car, J. E. Fields, vice-president and director of sales, told SALES MANAGEMENT this week.

The newspaper circulation will be 31,000,000, Mr. Fields said; the magazine, 17,000,000. "We are now running dealer sales meetings throughout the country, with pre-showings of the cars," he said. There are also a number of other localized promotion activities.

To Discuss Lamp Sales

A lamp merchandising conference for its wholesale distributing agents will be held by Edison Lamp Works, of General Electric Company, at Nela Park, Cleveland, August 6-8, to discuss new lighting developments, methods of distribution and of building up business and outlets.

Zenith Will Introduce Low-Priced Model; Exclusive Dealers

Plans for the expansion of its line to include a moderately-priced radio and another device which will eliminate the seasonal basis from Zenith sales are being made by the Zenith Radio Corporation, Chicago, Paul B. Klugh, vice-president, announced this week.

Negotiations for facilities to produce a line of radios ranging from $185 to $495, without tubes, are now under way, Mr. Klugh said, and the sets will be introduced to dealers in August. The new line will bear a different trade-mark.

"We will also provide Zenith dealers with a product, other than radio, which will permit our dealers to operate on a profitable basis the year around," Mr. Klugh said. "Negotiations are now being made for a satisfactory device, to be announced later, which will be added to our line."

Zenith hopes to develop 3,000 dealers handling Zenith products exclusively within the next few years.

Name Vice-Presidents for Simmons Hardware

L. E. Crandall has been elected vice-president and general sales manager and Sid Henry vice-president in charge of advertising and sales promotion of Simmons Hardware Company, St. Louis.

Mr. Crandall returns to the Simmons company after an absence of six years, during which he was active in several companies in industries allied to the hardware trade. He joined the company as a salesman in 1907.

Mr. Henry was selected as a salesman by Mr. Crandall in 1917 and was trained under him. He has held several sales positions with the company.

Australian Drug Houses in $25,000,000 Merger

The merger trend is growing in Australia.

Eleven drug firms there have combined to establish Drug Houses of Australia. The company will have a nominal capital of $25,000,000, and negotiations are proceeding for a further merger with Australian Drugs.

The companies in the present combine include Duerdin & Sainsbury, Felton Grimwade & Associated Companies, Elliott Brothers, Taylor Colledge, Bickford & Sons, Taylor & Elliotts and T. & E. Surgical.

"Jumbo" Telegrams Aid Melba Toast to Unite Media in Sales Drive

Capitalizing on the "Stop, Look and Read" elements in telegrams, Melba Toast & Biscuit Corporation, Los Angeles, has just completed a merchandising drive among grocers in California which has proved so successful that it will soon be extended to other parts of the country, A. H. Rabin, president, announced to SALES MANAGEMENT this week.

Melba's problem was to dramatize its toast, both to dealers and the public, in the quickest possible manner at point of contact with the public, to obtain greater responsiveness to an advertising campaign in radio, car cards and newspapers which was about to be launched in several California cities. Sampling also was to be employed.

Mr. Rabin also wanted to devise a method for developing closer contact between the corporation's field men and dealers, to insure that Melba products were not only carried but emphasized in the stores during the campaign. To accomplish both of these purposes, he hit upon the idea of using "jumbo" telegrams.

These telegrams, supplied by the Postal Telegraph Company, were similar in every respect but size to the standard receiving forms. Measuring seventeen by twenty-two inches, Mr. Rabin believed they would not only attract the interest of dealers but would make effective window posters. One thousand of them were delivered by Postal messenger boys. The message said:

"Melba toast, recognized as a body-building food of unusual value, finds many new attractive uses in the daily menus of the American housewife because Melba toast is dextrinized, which means that the starch is baked out. It is recommended by doctors as the first solid food for infants. Melba toast is baked from high-gluten whole wheat flour, fresh eggs, milk and honey, making it one of America's superior food products. Cubbison's Melba toast in the blue carton and Melba toast, vegetized, in the green carton are obtainable."

Within ten minutes after delivery of a jumbo telegram, a representative of Melba toast introduced himself to the recipient. He explained the purposes of the sales drive, and then helped the dealer post the "wire" in the store window, surrounded by a display of Melba products.

The stunt created great interest.

Two Offices in New York; J. W. T. Widens Policy

Following the example of newspapers, press associations and business organizations of establishing "downtown" offices near Wall Street, even though their headquarters may already be in New York, J. Walter Thompson Company will open an office at 150 Broadway on August 1 to service its financial accounts. Personnel will be announced later.

The Thompson company believes that the same thorough methods of research and advertising presentation employed on industrial and general accounts is effective in serving present and stimulating new financial accounts.

Most financial advertising is now handled by agencies specializing primarily in this particular field.

Chicago Daily News Buys 160-Mile-Hour Plane

The "Blue Streak," a new tandem-engined Bellanca plane, with speed of 160 miles an hour and cruising radius without landing or refueling of from 5,000 to 7,000 miles, has just been delivered to the Chicago *Daily News*. It will be used for experimental purposes under the supervision of Shirley J. Short, who was given the Harmon Trophy in 1927 as the world's most valuable pilot during the previous year when he was flying the night air mail between Chicago and Cleveland.

Mahin Agency Moves

John Lee Mahin, Inc., New York agency, is now located at 551 Fifth Avenue.

Z. L. Potter Will Direct Mohawk Distribution; Barlow Heads Agency

Z. L. Potter has resigned as president of and has relinquished his ownership in Z. L. Potter Company, advertising agency of Syracuse and New York, to become director of distribution, a new position, with the Mohawk Carpet Mills, Inc., at Amsterdam, New York. The Potter company for the last five years has handled the Mohawk account. No other executive changes are involved—Mr. Potter supervising in tying up all of the company's sales functions. Ed S. Barlow, vice-president of the Potter company, becomes president.

Before forming the Potter company six years ago Mr. Potter was vice-president and business manager of the New York *Evening Post* and previously was advertising and publicity manager of National Cash Register.

Mr. Barlow joined the agency a year ago. An account executive with Lord & Thomas and Logan, Inc., Chicago, he later served as general sales manager for the Selz and the Nettleton shoe companies.

To Direct Distribution for Reo Motor Cars

Sam C. Mitchell has become manager of distribution and K. Ray Spencer central regional manager of the Reo Motor Car Company, Lansing, Michigan.

Mr. Mitchell until recently was assistant sales manager of the Hudson Motor Car Company. He will have charge of all merchandising matters as well as with distributors and dealers relations. Mr. Spencer has been a regional sales manager with the Chrysler Corporation.

These fighting cocks on a movable stand journey from desk to desk in the offices of the Ralston Purina Company, St. Louis, to designate the monthly winner of a departmental sales contest.

When the QUOTA is a tough "get"

THERE are times, as every tennis player knows, when the best of rackets and the good right arm don't seem long enough. There are times, also (as every sales manager knows), when the sales budget seems inadequate to meet both quota and profit requirements.

It's pretty hard to supplement the tennis racket or the right arm . . . but it is, fortunately, rather easy to supplement the reach of the selling appropriation. It's being done every day . . . with the Multigraph, Compotype, Set-O-Type, Lever Addresser, and other equipment in the complete Multigraph line.

Customers are contacted between salesmen's calls. New customers are brought up to the closing point before salesmen call. Special announcements or timely sales ideas are put into the hands of thousands of customers simultaneously, in less time than it takes a salesman to cover one small town.

Advertising counselors, with responsibilities for results from large appropriations, are finding it worth while these days to recommend Multigraph campaigns and selective selling as a first line activity in major selling plans. Ask any Multigraph representative about it.

For multiplying and intensifying the contacts a sales department can make, the Addressing Multigraph is a successful unit in many a national sales and advertising campaign.

The American Multigraph Sales Co.
1832 East 40th St., Cleveland, Ohio
The Multigraph Sales Company, Ltd.
137 Wellington St., West, Toronto, Ont.
(or consult your telephone directory)

Increase your reach with

The MULTIGRAPH

Wisconsin Court Brands Exclusive Retailer Contract Illegal

(*Continued from page* 92)

from the case of Atcheson v. Mallon (43 N. Y. 147, 149) as follows:

"Agreements which, in their necessary operation upon the action of the parties to them, tend to restrain their natural rivalry and competition, and thus to result in the disadvantage of the public, or of third parties, are against sound principles of public policy and are void." Then the court, after citing two cases, added: "Free access to trade outlets is a right of individuals. Closing such outlets or materially narrowing them to competitors is a direct and unlawful restraint of trade."

An unusual feature of the case is the finding that while the contract is legal its use is illegal. In answering the contention of the defendants that the power they exercised was not improper, because the contract of Lewis & Leidersdorf with its retailers was lawful, the opinion reads:

"Conceding that it is lawful in itself, it does not follow that it cannot be used unlawfully. If it be used with so many and with such dealers that defendants are thereby enabled to dominate the local market to such an extent as to destroy the business of their competitors and is used with intent to produce such result, as the complaint in effect alleges, it then becomes an instrument by which trade is restrained and monopoly is threatened if not created."

No Coercion Used

Lastly, it was contended by the defendants that no coercion was used by them to induce retailers to enter into their contracts, and that this distinguished the case from others in which acts have been held by the courts to constitute attempts at monopoly. The court agreed that in cases of exclusive contracts threats not to sell to the contracting buyers unless contracts were entered into, or other coercive threats, have often accompanied the transactions condemned as violative of the Sherman Law, and added:

"But we do not find any cases holding that coercion is essential to such violations. We are of the opinion that if monopoly be created, or attempts thereat be made, through combinations and conspiracy with intent and purpose to produce such results, the statute is violated although coercion be absent."

Still another unusual aspect of the case is the finding that the amount of business controlled is of little importance. The defendants urged that in cases wherein monopoly had been found, it was shown that definite percentages of from 38 to 95 per cent had been absorbed. But the court did not find, according to the decision, that a less percentage has ever been found insufficient, nor that absence of averment of a definite percentage has ever been held fatal to a complaint for relief under either the Federal or the Wisconsin statute. And in support of this view the decision cites the Knight Case, as follows:

"All the authorities agree that in order to vitiate a contract or combination it is not essential that its results should be a complete monopoly; it is sufficient if it really tends to that end to deprive the public of the advantages which flow from free competition."

The court mentioned that other Federal cases support this conclusion.

The confusion of legal and authoritative opinion that has grown up about the interpretations of the Sherman Act, or at least those sections which deal with monopoly, was commented on by the court. The opinion quotes this statement of Mr. Justice Barnes: "There has been a world of decisions on our anti-trust laws, common and statute, in the state and federal courts. To attempt to review them all would be a work of supererogation. To harmonize them would be an impossibility." Then the opinion notes that counsel for the defendants gave nearly one hundred citations to support his views, while counsel for the state cited about seventy cases.

United Drug Increases Its Outlets in Britain

Boots Pure Drug Company, largest drug chain in the United Kingdom, almost all of whose common shares are held by the United Drug Company of Boston, has opened forty-one new shops during the last year bringing the total number up to 876. Sales and customers marked a record, the latter having increased by 2,500,000. Profits were down £25,000 on the previous year which had been an abnormal one for cold weather and sickness.

Russia Buys 50,000 Tons of Sugar from Cuba

The All-Russian Textile Syndicate, Inc., in New York has just placed an order with a group of Cuban Sugar Growers for 50,000 tons of raw sugar to be shipped to the Soviet Union this month. This is the third purchase of Cuban sugar this year, 50,000 tons having been purchased in February and 135,000 tons in May.

Vinegar Firms Merge; to Sell Single Brand in National Drive

Gregory-Robinson-Speas, Inc., "largest bottlers of vinegar in America," has been formed with headquarters in Paris, Texas, to acquire the O. L. Gregory Vinegar Company there, with branches in several cities in the Southwest; Springdale Vinegar Company, Springdale, Arkansas; Speas Manufacturing Company, Little Rock and Gravette, Arkansas.

For the present all of the brands of the various companies will be used —although it is the plan of the new company to standardize on a brand that will be nationally advertised and distributed. Distribution of the various products now covers about two-thirds of the United States, the principal customers being pickle companies and makers of relishes, mayonnaise and salad dressing.

The slogan, "We Make a Grade for Every Need," will be emphasized in the national program.

Japan Plans Expansion in Auto and Oil Markets

Coincident with an announcement by the Associated Oil Company at San Francisco last week that D. D. MacGregor of that company had been appointed vice-president of the Mitsubishi Oil Company, Ltd. of Japan, and will aid in the establishment of an oil refinery there, advices from Tokio mentioned tentative plans for expansion in the automobile field.

The Mitsubishi plant near Tokio will have a capacity of 4,000 barrels of crude and a cracking capacity of 1,500 barrels per day.

Japan's Ministry of Railways, it is reported by the *Wall Street Journal*, will start soon the operation of feeder bus lines throughout the country—home-made buses being used.

Account Changes

MIDVALE COMPANY, Philadelphia, steel, forgings and castings, to Fox & Mackenzie there.

UNITED HOTELS COMPANY OF AMERICA, New York, to Batten, Barton, Durstine & Osborn, Inc., there.

KATTERMANN & MITCHELL COMPANY, Paterson, New Jersey, silk manufacturer, to Kenyon & Eckhardt, Inc., New York City.

BISHOP, MCCORMICK & BISHOP, New York City, motor car dealers operating a chain of showrooms, to Grace & Holliday there.

A. B. PIPER COMPANY, INC., New York City, Craigleigh coats for women, to John Lee Mahin, Inc., there.

WENATCHEE OKANOGAN COOPERATIVE FEDERATION, Seattle, Wenatchee apples, to Botsford-Constantine Company, Inc., there.

S. S. SILVER & COMPANY, INC., Brooklyn, designer and builder of store interiors, to Louis H. Frohman, New York City.

WASHINGTON DAIRY PRODUCTS BUREAU, Seattle, to the Western Advertising Agency there. Newspapers, posters, direct mail and a public address system.

NATIONAL SHAWMUT BANK, Boston, to the Blackman Company, New York City.

BASIL DIGHTON, New York City, furniture and prints, to Lupton, Reed & Company there.

FEDERAL ELECTRIC COMPANY, Chicago, sign division, to Henri, Hurst & McDonald, Inc., there.

H. R. CURTISS COMPANY, Los Angeles, distributors of Philco radios in Southern California, to Logan & Stebbins, there. Newspapers, posters and radio.

FITZGERALD MANUFACTURING COMPANY, Torrington, Connecticut, Star-Rite electrical appliances, to John O. Powers Company, New York.

RUXTON CORPORATION, St. Louis, front-drive cars, to Beecher-Cale-Maxwell, Inc., there.

OSBORNE CHROMATIC GRAVURE COMPANY, East Orange, New Jersey, producers of Osborne Gravure and printers of *Fortune* and other gravure publications, to the G. Lynn Sumner Company, Inc., New York City.

Vick Not to Have Agency

Lunsford Richardson, president of the Vick Chemical Company, denied this week a report published in various business papers that the advertising account of his company had been transferred to Thompson-Koch Company of Cincinnati. It is placed direct.

Reports Chain Prices Average 13 Per Cent Under Independents

Prices of sixty well-known grocery items in chain stores average 13.79 per cent lower than independents, Professor Malcolm D. Taylor, University of North Carolina, reports in announcing in the current issue of the *Harvard Business Review* results of a survey he supervised at Durham, North Carolina.

The sixty items are among the most popular carried by both types of stores. Durham, fourth in size in the state, with an estimated population of 48,600, was selected as being typical of the larger towns in that locality. Ten seniors of the University School of Commerce made the investigation. The work was voluntary—the students cooperating because of interest in the subject.

Seventy-three nationally advertised articles were selected. This number was finally reduced to sixty to avoid confusion over items packed in more than one size or weight. Every grocery store in the city was visited by the investigators.

"Objection may be made to the brands selected for study," Professor Taylor said, "on the ground that soaps are given too much weight. Omitting the five soap products from the list, the average saving at chain stores is 13.05 per cent. Omitting eight commodities on which the largest saving is shown, the average saving on fifty-two articles becomes 12.07 per cent.

"Average savings on various groups of products at chain stores were: 21.97 per cent is the average on five soaps; 12.43 on ten breakfast foods; 8.99 on eight beverages; 9.54 on three canned fruits; 20.74 on three cleaners; 13.98 on ten products used in preparation of foods before they are cooked, and 15.78 on seven desserts or materials used in desserts.

"It is a safe assumption," Professor Taylor pointed out, "that the additional charges incident to the offering of delivery service, charge accounts and the taking of telephone orders by independent stores do not amount to 13 per cent of sales, or any figure approaching that."

Griswold & Walker Expands

Griswold & Walker, Inc., which has conducted a merchandising warehouse business in Chicago for more than thirty years, has changed its name to Griswold-Walker-Bateman Company, and increased its capitalization to $500,000. Floyd L. Bateman becomes a director and Donald F. Bateman, treasurer.

Gossip

K. D. PULCIPHER, for the past eight years editor of the *Pennsylvania News*, at Chicago, has been appointed general manager of the Pennsylvania Railroad publicity office in Philadelphia. . . . STUART S. SCHUYLER, formerly national advertising manager of Scripps-Howard Newspapers, more recently in business for himself in New York, has joined the Hearst organization as advertising director of the New York *American*. He succeeds HAROLD A. STRETCH, who has been transferred to the general advertising staff. . . . REXFORD BELLAMY, writer and account executive and a founder of the Bellamy-Neff Company, has joined the staff of Vanderhoof & Company, Chicago advertising agency. . . . GERALD G. O'BRIEN, JR., has resigned as sales manager of the General Outdoor Advertising Company, Pittsburgh, to become associated with the Outdoor Advertising Agency of America, Inc., there. . . . L. A. WEGENAAR has joined the sales staff of McCandlish Lithograph Corporation Philadelphia. . . . MARIE S. WIEGET is now an account executive with King & Wiley & Company, Inc., Cleveland. She had been for six years with the copy and contact departments of Ruthrauff & Ryan, Inc., New York. . . . GEORGE EASTMAN, president of the Eastman Kodak Company, has been appointed by President Hoover as a member of the George Washington Bicentennial Commission, which is arranging plans for the George Washington celebration in 1932. Mr. Eastman succeeds HANFORD MACNIDER, who has become Minister to Canada. . . . ALBERT NEAVE, formerly sales representative of Tower Publications and an account executive with Batten, Barton, Durstine & Osborn, Inc., is now an account executive with Rogers, Hinman & Thalen, Inc., New York. He will also act as sales manager for *Who's Who in Advertising*, soon to be published. . . . WHITNEY A. CURTIS has joined the J. F. Held Advertising Agency. He was formerly assistant advertising manager of the Bon Marche, Seattle. . . . LESTER A. LOEB, for seven years president of Lester A. Loeb, Inc., advertising agency, and more recently an account executive with the Peck Advertising Agency, New York, has resigned. . . . JOHN R. BUCKLEY, for the past two and a half years with the advertising department of *Cosmopolitan*, has been appointed eastern advertising manager. . . . LESLIE O. READ, formerly with Matteson, Fogarty & Jordan, and more recently with Bellamy-Neff Advertising Agency, has become associated with Vanderhoof & Company, Chicago agency, as writer and account executive. . . . Departing for Paris, BETTY T. HARRISON has announced the merger of her advertising agency with that of "TOMMIE" CARUTHERS, both of Los Angeles. Miss Caruthers will serve the accounts of both agencies. . . . MARJORIE SIGNER has merged her advertising agency with the Hazard Advertising Corporation, New York, where she will direct supervision of a Woman's Department. . . . ROBERT J. NEVILL, formerly associated with the National Register Company and A. B. C., has opened an office at 185 North Wabash Ave., Chicago, as publisher's representative.

Survey of Surveys

(*Continued from page 74*)

thoroughly discussed in this book are (1) The forms in which voluntary chains are developing; (2) Their progress toward complete control of retail stores; (3) The present problems of policy in voluntary chains; (4) The dangers facing voluntary chains; and (5) The probable future development of the voluntary chain.

Much thought has been put into this sixty-four-page book. It is well worth the $5.00 charged non-members of the Institute to anyone who wishes to keep in touch with the fast-changing distribution picture in the foodstuff field. Available through the American Institute of Food Distribution, 369 Lexington Avenue, New York City.

Chain Store Statistics

(*Merrill, Lynch & Company, E. A. Pierce & Company,* 40 *Wall Street, New York.*)

This pamphlet contains a three-year record of the operations of seventy-nine chain store companies, divided into grocery chains, five- and ten-cent chains, shoe chains, apparel and department store chains, restaurant chains, food chains, drug chains and miscellaneous chains. Valuable data, obtainable free from either of the above two companies.

Cooperative Marketing Activities in Business.

A thirty-page pamphlet from the Policy Holders Service Bureau of the Metropolitan Life Insurance Company, New York, showing the special forms of cooperation undertaken by independent business enterprises outside the scope of regular trade association activities. An extremely worthwhile book. Free upon request from the Policy Holders Service Bureau, 1 Madison Avenue, New York City.

Getting Down to Real Facts in the Grocery Business

A comprehensive pocket-size booklet showing many interesting facts in the independent versus chain store grocery controversy, leaning strongly, as might be expected, toward the independent grocer, written in the form of an article, but bristling with statistics. By Carl Dipman, editor of *The Progressive Grocer.* Obtainable without charge from *The Progressive Grocer,* 79 Madison Avenue, New York City. Well worth reading.

Gould Storage Battery Acquired by National

The Gould Storage Battery Company, Buffalo, subsidiary of the Gould Coupler Company, founded by Chauncey M. Depew and Jay Gould, has been sold to the National Battery Company, at St. Paul. Gould Coupler, Depew, New York, controlled by the Symington Company, has a daily capacity of 10,000 automobile batteries. It also manufactures car-lighting, marine and other storage batteries.

Headquarters have been transferred to St. Paul.

June Window Displays in Forty-four Cities

Check marks (√) in city columns indicate the manufacturers whose displays appeared in sufficient numbers and with sufficient dominance to register appreciably with consumers. The list is selective, representing the most active accounts.

	Atlanta	Baltimore	Birmingham	Boston	Buffalo	Charleston, W. Va.	Charlotte, N. C.	Chicago	Cincinnati	Cleveland	Columbus	Denver	Des Moines	Detroit	Houston	Indianapolis	Jacksonville, Fla.	Kansas City	Little Rock	Los Angeles	Louisville	Memphis	Miami	Milwaukee	Minneapolis	Nashville	Newark	New Haven	New Orleans	New York	Oklahoma City	Philadelphia	Pittsburgh	Portland, Ore.	Providence	Richmond	St. Louis	St. Paul	Salt Lake City	San Francisco	Seattle	Spokane	Toledo	Washington, D.C.	TOTALS
DRUGS																																													
Absorbine Jr.	✓		✓						✓	✓	✓			✓							✓		✓						✓														✓		10
Bauer & Black Products				✓				✓						✓																✓											✓		✓		6
Boyer's Cosmetics								✓	✓		✓	✓		✓				✓			✓																						✓		8
Bromo Seltzer		✓															✓			✓		✓																	✓		✓	✓			7
Cascarets								✓																																✓	✓				3
Cod-Liv-X																											✓			✓												✓			3
Colgate Dental Cream																✓																✓	✓												3
Coty				✓		✓		✓		✓		✓		✓							✓	✓			✓					✓		✓	✓					✓	✓	✓	✓			✓	17
Dethol		✓								✓																						✓	✓												4
Dew Deodorant								✓																	✓												✓	✓							4
Max Factor Toilet Goods												✓																			✓										✓				3
Feenamint		✓		✓	✓				✓					✓					✓		✓			✓	✓		✓	✓		✓		✓	✓				✓	✓			✓	✓			18
Flit	✓	✓					✓			✓							✓					✓				✓	✓																	✓	9
Flyosan		✓			✓				✓		✓										✓						✓			✓			✓												8
Four D Herbs											✓		✓								✓																								3
Richard Hudnut	✓							✓		✓		✓	✓												✓	✓										✓		✓			✓				10
Iodent Tooth Paste		✓		✓	✓			✓	✓		✓		✓	✓				✓			✓											✓	✓	✓			✓			✓				✓	16
Ipana Tooth Paste				✓	✓			✓	✓	✓				✓	✓	✓	✓	✓		✓				✓		✓				✓		✓					✓			✓			✓		18
Kleenex								✓		✓							✓															✓													4
Kolynos Dental Cream	✓			✓	✓					✓	✓			✓							✓				✓	✓												✓	✓	✓					12
Kotex	✓			✓				✓				✓					✓		✓	✓						✓				✓		✓		✓	✓				✓		✓				14
Larvex	✓	✓						✓		✓				✓		✓								✓	✓		✓											✓							10
Lux Soap																		✓									✓						✓												3
Mercerix		✓		✓			✓	✓										✓									✓																		6
Odorono	✓	✓		✓	✓				✓	✓											✓	✓		✓								✓	✓		✓		✓							✓	14
Oronite Fly Spray																				✓																				✓	✓				3
Ovaltine												✓										✓																	✓		✓				4
Palmolive-Gillette Comb.					✓			✓					✓					✓												✓															5
Peterman's Insecticide		✓							✓												✓							✓		✓			✓			✓								✓	8
Phillip's Milk of Magnesia						✓		✓		✓	✓	✓	✓	✓		✓		✓							✓											✓	✓	✓			✓				14
Dr. Pierce													✓	✓											✓									✓			✓	✓							6
Plough			✓				✓	✓															✓						✓		✓									✓					7
Pluto Water	✓			✓					✓	✓								✓			✓				✓	✓					✓	✓					✓	✓		✓	✓				14
Pyrox		✓		✓		✓				✓				✓													✓	✓					✓		✓										9
Rit			✓							✓				✓	✓						✓					✓					✓	✓	✓								✓			✓	11
Sal Hepatica			✓	✓				✓	✓					✓																✓							✓								7
Dr. Scholl's Foot Remedies				✓	✓			✓		✓			✓					✓								✓	✓			✓					✓		✓			✓	✓		✓		14
Sergeant's Dog Remedies				✓				✓	✓					✓																															4
Squibb's Dental Cream		✓		✓	✓	✓		✓		✓				✓	✓			✓						✓				✓	✓	✓	✓	✓	✓						✓		✓	✓	✓		20
Squibb's Shaving Cream		✓		✓				✓						✓						✓								✓		✓															7
Unguentine								✓		✓	✓															✓								✓							✓				6
TOBACCO																																													
Between-the-Acts		✓		✓	✓							✓													✓		✓			✓					✓			✓							9
Camel	✓		✓	✓	✓				✓	✓	✓	✓	✓	✓		✓			✓	✓		✓		✓			✓				✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	28
Chesterfield	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	38
Dutch Master Cigars					✓	✓		✓			✓					✓		✓			✓			✓	✓		✓			✓	✓					✓		✓	✓						15
Edgeworth Tobacco					✓							✓		✓				✓				✓	✓		✓													✓			✓		✓	✓	11
El Producto Cigars					✓												✓									✓				✓															4
Fatima				✓	✓		✓	✓					✓			✓					✓	✓	✓		✓			✓		✓		✓			✓	✓		✓			✓	✓		✓	19
Garcia Grande Cigars							✓																							✓						✓							✓		4
Granger Rough Cut		✓			✓	✓	✓	✓							✓		✓	✓			✓				✓							✓	✓			✓	✓	✓			✓	✓		✓	18
Helmar Cigarettes					✓																									✓		✓													3
Lucky Strike				✓		✓				✓			✓	✓						✓		✓							✓	✓		✓		✓						✓				✓	13
Luxury Tobacco					✓									✓									✓													✓								✓	5
Old Gold	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		38
Rocky Ford Cigars												✓																											✓		✓	✓			4
Webster Cigars												✓																														✓	✓		3
CANDY, BEVERAGES																																													
Anheuser-Busch Ginger Ale													✓												✓				✓									✓			✓		✓		6
Blue Ribbon Malt		✓							✓													✓	✓		✓													✓							6
Clicquot Club Ginger Ale				✓	✓			✓	✓		✓	✓	✓		✓			✓							✓	✓		✓	✓		✓	✓		✓		✓		✓	✓	✓	✓		✓	✓	23
Coca Cola		✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	35
Fro-Joy Ice Cream					✓					✓																		✓							✓										4
Mission Orange Dry		✓		✓	✓	✓		✓	✓	✓	✓	✓		✓				✓	✓		✓	✓		✓	✓						✓				✓	✓	✓	✓					✓		22
Red Top Malt						✓			✓	✓						✓																													4
Schlitz Malt																									✓			✓										✓		✓					4
Vernor's Ginger Ale					✓				✓	✓				✓																													✓		5
GROCERIES																																													
Beechnut Coffee									✓					✓																✓															3
Carnation Milk							✓						✓																												✓				3
Del Monte Products				✓																	✓	✓			✓													✓							5
Jack Frost Sugar					✓					✓				✓							✓			✓			✓	✓		✓															8
Heinz Products					✓																																✓		✓						3
Morton's Salt																															✓			✓							✓				3
Pabst-ett Cheese					✓				✓												✓			✓	✓													✓							6
MISCELLANEOUS																																													
Auto Strop			✓		✓			✓		✓	✓			✓								✓			✓					✓							✓	✓	✓						12
Ever-Ready Blades and Razors								✓						✓				✓		✓			✓							✓															6
Gem Blades and Razors								✓						✓				✓					✓		✓					✓								✓							7
Gillette Blades and Razor				✓					✓	✓				✓	✓					✓					✓				✓									✓		✓					10
Probak Blades	✓	✓			✓			✓	✓	✓	✓	✓	✓		✓			✓		✓	✓	✓			✓		✓		✓	✓	✓	✓	✓					✓	✓		✓		✓	✓	26
Eastman Kodak														✓												✓				✓		✓		✓								✓			6
Majestic Radio			✓		✓		✓	✓												✓																							✓		6
TOTALS	12	21	7	27	31	12	11	34	21	30	17	18	17	31	10	11	10	21	7	14	22	17	10	13	28	14	15	13	8	30	14	23	18	12	12	14	18	28	16	16	29	12	17	16	..

The Detroit News

FIRST in the WORLD in ADVERTISING

First 5 Months

1930

THE HOME NEWSPAPER

America's Newspaper Leaders

THE DETROIT NEWS 11,812,906 lines

New York Times..... 11,790,578 lines

Chicago Tribune..... 11,689,875 lines

Reflecting the importance of America's fourth market and the thorough coverage of Detroit by The News, advertisers placed 11,812,906 lines of advertising in its columns during the first five months of 1930. Thus again The News achieves first place, leading the ranking newspapers of both New York and Chicago.

During 1929 and in six other years The Detroit News has been a world leader in advertising. During the last 16 years it has always been among the first three advertising leaders. Such a consistent record of leadership not only proves the effectiveness of The Detroit News as an advertising medium but also indicates the buying power of the Detroit market. Few other markets offer so outstanding an opportunity for economical selling, for here advertisers can reach the responsive home buyers with one newspaper—The News. This is a fact easily verified not only by the supremacy of The Detroit News in total volume of advertising but by its outstanding achievement in every selling classification of advertising as well. With 340,000 circulation weekdays, The News has 74,000 more circulation in the Detroit buying zone than any other Detroit newspaper.

Use the News Weekdays and Sundays and Reach 4 Out of 5 Detroit Homes

Use of The Detroit News, alone, enables the advertiser to cover so great a proportion of the stable buying element of Detroit as to make the employment of another newspaper uneconomical. Concentrate in The News, avoid duplication, and get the most for your advertising dollar.

The Detroit News

THE HOME NEWSPAPER

New York Office:
I. A. Klein, Inc., 50 E. 42nd St.

Chicago Office:
J. E. Lutz, 180 N. Michigan

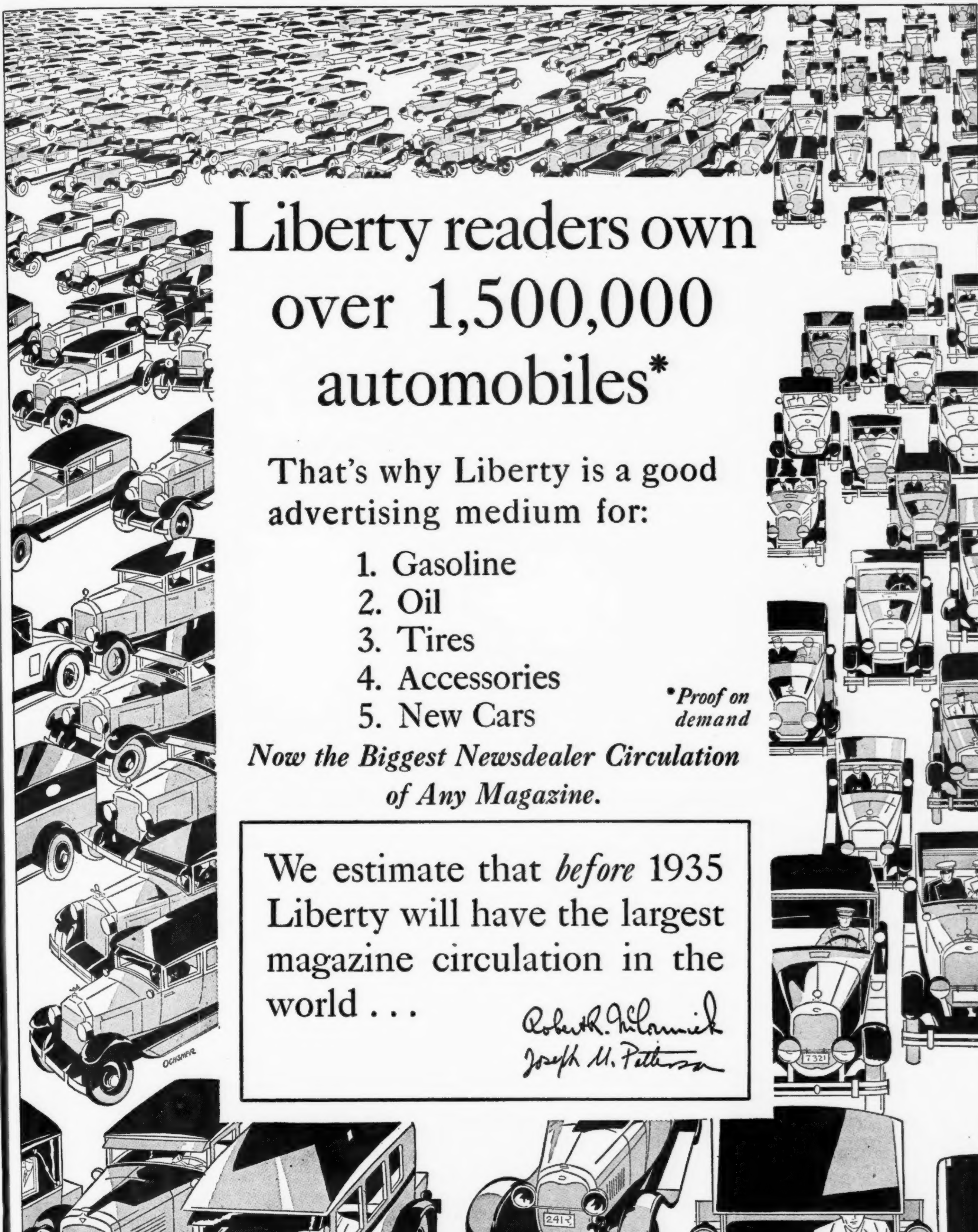
400,000 Sunday Circulation—340,000 Weekdays

Editorials

THE PRIVATE LABEL: Manufacturers of nationally advertised brands are awakening rather tardily to the danger they are exposed to from private brands. News reports tell of admonitions in the form of shrinking sales. If probable causes of such loss had been studied in advance of their effect the remedial measures now talked of might have been taken before volume recession was well under way. The impulses of the moment appear to be twofold. The wholesalers say they were driven to private brands by the large allowances from manufacturers to direct-buying chains. It is common talk in the jobbing trade, also, that profits on private brands are relatively generous. The chains, on the other hand, say they have been turned to their own brands by threats of resale price regulation. The policy of the chains is to offer whatever their customers ask for, and, because the manufacturers have followed the policy of cultivating consumer good will by means of national advertising, nearly all the chains carry most advertised products when they can get them. The flow of goods through these channels was smooth enough until the "loss leader" came into prominence and set going the agitation, not always in good faith, to provide a legal means of curbing the practice. This and the wide differences in manufacturers' discount methods led to occasional breaks in the relations between manufacturers and jobbers and between manufacturers and chains. One result was the adventure of chains and jobbers into the field of private brands with varying degrees of success. . . . The manufacturers of well-established lines have lost some ground, it would seem, by seeking as individuals to work out a problem in which all have a common interest. That is why they now find themselves confronted with complications on a fairly large scale requiring careful research before they can study out a sound policy adequate to conditions as they exist today. Some of the information they require will be supplied by the National Census of Distribution. On the quality side, which offers more promise for their purposes, they must act for themselves.

EXPORTERS' DIFFICULTIES: Dispatches from Argentina report that haberdashers and other dealers there are threatening to boycott American goods. The complaint in the South American republic is that its exports to the United States are likely to be shut out completely or enormously reduced by the new American tariff schedules. At the same time comes word of a project among our exporters to make a special study of South American markets with a view to holding such good-will as American products enjoy there. Part of this plan is the establishment by the American Manufacturers' Export Association of observation posts from which special representatives will keep members advised of developments bearing on American merchandise. . . . The work to be done is not easy. The United States has not improved its selling position by hampering its buying with respect to foreign markets. The only hope, therefore, of overcoming the obstacles put by Congress in the way of exports lies in resort to practical measures which will convince our foreign customers that our goods are superior and of the kind wanted at prices within the means of consumers in other countries. On grounds of reciprocal interest we can have little to say. Our job is to prove that, in spite of our desire to exclude what other nations have to sell on price levels below our own, they will gain by taking our products.

THE CONSUMER'S DAY: Substantial cuts in prices by the large mail order houses accord with the view that consumers generally are likely soon to feel the favorable effects of the new commodity price levels. The step taken by these houses is by no means uncommon. In food lines many retailers, especially the big chains, have been keeping step with the primary markets ever since the decline took on large proportions. Food distributors are particularly sensitive to competition, and the fall in commodities with which they deal has been relatively great. It has been obvious for some time, however, that deflation, which has been going on more or less steadily since the Great War, was exercising a wide influence and that sooner or later all retail prices would fall in line with the downward trend. . . . J. C. Penney was the first of the large chains to make public announcement of sweeping cuts. The mail order houses, following this lead, have gained attention for their action because their huge catalogs embrace almost every article that enters into ordinary trade, and anything of this sort done by them is felt in most trade fields. That the price reductions are not temporary is indicated by assurances that they involve no loss of regular trade profits the margin of which is kept intact at the new price levels. Manufacturers and packers have been slow to move toward lower prices, not only because of their unwillingness to take inventory losses, but because the downward trend of commodity prices was not of a character until recent months to indicate more than a temporary movement.


Liberty readers own over 1,500,000 automobiles*
That's why Liberty is a good advertising medium for:
1. Gasoline
2. Oil
3. Tires
4. Accessories
5. New Cars
*Proof on demand
Now the Biggest Newsdealer Circulation of Any Magazine.
We estimate that before 1935 Liberty will have the largest magazine circulation in the world . . .
Robert R. McCormick
Joseph M. Patterson
OCHSNER

How Metalcraft Grabbed a Popular Idea

(*Continued from page* 86)

aircraft industry. Some advertising and merchandising plan must be evolved that would bring to Metalcraft not only volume in the sales of construction sets of particular size but *a chain of sales* that would keep the boys coming back again and again for additional airplane equipment.

A happy solution was reached in the organization of the Lyonsport Aero Club for air-minded boys, with the object of fostering an interest in aviation among boys and setting a goal for them to become "pilots" in this club. Captain Jack Bursey, British ace in the World War, was employed to command the Lyonsport Club. Coupons in each Metalcraft airplane construction set entitled the owner to a credit of so many "flying hours"; he became a "cadet" and then a "pilot" with the right to wear the winged emblem of the club and the aviation suit which he could then buy.

"Pilots" All Over World

Metalcraft put this program on the air; Captain Bursey began a regular correspondence with the young club members, and "pilots" began to qualify in Australia, Alaska, Canada, Porto Rico, Philippine Islands, Hawaii, England, Holland, Mexico, South Africa, China, Scotland, as well as the United States.

A tie-up was made with one of the large broadcasting chains and movie producers, by which Metalcraft announced the free admission of Lyonsport Aero Club "pilots" to certain war pictures produced by this movie corporation upon showing the winged badge.

In all Metalcraft advertising, catalogues, instruction books, etc., there was a constant effort to put out constructive education in aircraft.

Arrangements are being completed with Parks Air College, St. Louis, to give the "pilots" of the Lyonsport Aero Club a course in ground lessons free of charge, and on its completion they will receive the same certificate of proficiency as the adult.

The boys of the country took to this program like wildfire, and toy dealers enjoyed unusual sales from the entire Metalcraft line. In short, this advertising and merchandising plan has solidly entrenched Metalcraft among the leaders in toy airplane manufacturing.

October, 1929, saw wholesale sales reach $140,000. In spite of the natural slump following the stock market flurry, Metalcraft has every

reason to look to 1930 as their greatest year. For they now have an established standardized line, being merchandised under definite brand name, and for which they can continue to build good will and consumer demand.

Of the approximately 2,000 manufacturers in the juvenile aircraft industry, Metalcraft Corporation is today in a leading position in the field, because they took immediate hold of a popular thought, adapting their product to this thought, then merchandising it to a logical success.

Metalcraft is putting out a complete line of toy airplane construction sets, from which can be built every type of model in the aviation field—flying stick types, blimp, Graf Zeppelin, with beacon and mooring mast, airport, hangar and every other type of equipment needed in a well-organized airport.

Sales Management Weekly Index to Motor Activity

(Average of years 1924-28, inclusive, equals 100)

Year 1930		*Year* 1929	
Apr. 26	123	Apr. 27	155
May 3	120	May 4	155
May 10	118	May 11	150
May 17	120	May 18	149
May 24	123	May 25	149
May 31	125	June 1	144
June 7	126	June 8	140
June 14	111	June 15	142
June 21	106	June 22	141
June 28	99	June 29	121
July 5	81	July 6	141
July 12	97	July 13	138

The exact sources of data on which the Sales Management Weekly Index of Motor Activity is based cannot be completely explained or disclosed for the reason that much of the information used is obtained in confidence. The computation itself is entrusted to one of the leading economists and statisticians of the automotive industry.

The principal factor involved is that of factory consumption, the data being used along this line involving approximately 25 per cent of the total production of the motor car industry. Inasmuch as production of automobiles is adjusted to retail sales at relatively short intervals of time, this index really portrays to some extent the trend of motor car retail sales as well as of motor car production. The volume of business transacted by the automotive industry, including its tremendous consumption of many and varied types of products as glass, steel, paint, cotton, copper, etc., gives this index of motor activity much significance from the standpoint of the business of the country at large. The fact that it can be obtained weekly also contributes to making it one of the most valuable indices to general business conditions that have been thus far developed.

Another Industry Invests in Retail Sales Training

(*Continued from page 98*)

5. Technical knowledge of paint and painting—71 per cent, fair.

6. Knowledge of decoration and color schemes—58 per cent, very poor.

7. Ability in estimating quantities needed—70 per cent, fair.

8. Skill in building up customer's desire for the recommended paints—61 per cent, poor.

9. Skill in handling questions involving difficulties and obstacles—54 per cent, very poor.

10. Skill in closing sales—46 per cent, negligible.

Since the most important person in any sale is the customer and one step in better selling is the salesman's intelligent questions and his endeavor to obtain intelligent information about the use to which the product is to be put, condition of the surface and type of results desired, investigators studied the retail salesman's behavior thoroughly in these respects. For instance, out of ninety-four interviews, only forty-one salesmen asked about the present condition of the surface to be painted. Only thirty-one salesmen out of ninety-four wanted to know the present color of the surface to be painted. Out of the eighty-eight cases, it would have been advantageous to know how recently the surface had been painted, yet only eight salesmen among those investigated asked for that information.

Vague Selling Talks

As to the subject matter of the salesman's talk it was found that the quality of the paint was discussed more than any other point. However, comments were usually confined to such generalities as "that paint is a very good quality." Suitability, as "I think this enamel would be all right for the job," was used next most often —fifty-one times in contrast with the sixty-two times that "quality" was mentioned. Surface protection came next, being mentioned only thirty-six times. Beauty of appearance was mentioned only nineteen times out of the total of the 186 shopping experiences. Last, and most surprising, was the fact that the maker's guarantee or reputation was only mentioned thirteen times.

Though color is so predominant today, only six salesmen out of 186 mentioned its vogue. Three salesmen discussed economy. Sanitation was mentioned by two. Only thirty-two tried to sell brushes or some other accessory along with the paint purchase.

The investigation revealed that the retailer's present needs were to:

1. Be made aware that the customer's point of view and the customer's need are the starting point for any sale. This necessitates his getting the facts about the customer's requirements and needs.
2. Know how to advise customers on preparation of surfaces, the use of colors, and type of material needed for certain effects.
3. Know how to remove the difficulties from making normal sales.
4. Know how to make the related sale and build up the volume of sales.
5. Be shown how to reach out after more business by cooperating with the manufacturer in his advertising and dealer helps, and by using window displays and perhaps doing off season canvassing.

On the basis of these five needs, Save the Surface Campaign offered the retailer, through direct contact and through mail advertising a six-unit course of study. This course, composed of text books and sales cases, was designed to last six months. The successful completion of the course brought the retailer a certificate.

4,000 Retailers Took Course

The course, selling at $12, was taken by more than 4,000 retailers and their salesmen since it was first offered a year and a half ago.

The same investigating procedure was applied to eighty-three master painters. As a result of this study, a course for this branch of the industry was also written. Here again, the course was sold by personal contact and mail. It was available to the master painter at a cost of $25 and, while its problems were particularly applied to the master painter, as discovered by the investigation, the mechanical handling of the course and its general structural form were the same as the course prepared for the retailer.

The third branch of the industry needing training was the wholesaler's and manufacturer's sales forces. A course was prepared which digested the material of the other two courses and in addition showed these salesmen how to cooperate with the master painter and the retailer in making their courses most effective. In most cases, the wholesaler and the manufacturer paid for one-half of the course, the salesman paying the remainder of the $25 price. The structural form and general mechanics of handling were the same as the courses for retailers and master painters though the contents were adapted to the large volume salesman.

Are the Department Stores Cutting Their Own Throats?

(*Continued from page* 84)

idea we realized that we were fashion-right in every respect. We had a choice, it seemed, of selling one of two classes of store: that which had attained a fashion reputation and was anxious to maintain it; and that which was gradually trading up and was anxious to get the new line for that purpose—stores that were trading up to fashion and not down to price. In some cases we could not sell the store first mentioned, but never failed to sell the latter. However, in most metropolitan areas the finest and most dominant style factor took on the line.

"Our big difficulty was found in local jealousies. One store would buy providing we could assure it that no other store would have the line for thirty days. If we failed to offer such assurance, the store would counter-offer that if they could have the line one or two days prior to any other store in that town they would buy the complete line.

Local Jealousies

"In some cities, but only a few, the outstanding store would refuse to put in the line until they had heard definite reports from other cities. Then we would approach a second store, one that was trading up. But there were instances when the first store would refuse and the second store would buy complete and make elaborate plans for promotion and advertising. Then, the first store, hearing of or realizing its error, would go into the New York market and buy at retail or have another store bootleg our line for them and then advertise it in an effort to beat the competitor."

What happened in the majority of cases is illustrated by Mr. Freeman's experience in a city within 200 miles of New York. He approached the buyer of a store that is considered the highest class outlet in the city, but the buyer refused to take on the line. Then, after Mr. Freeman sold another store, the first buyer went to New York and demanded that a small order be accepted with the understanding that the hosiery be delivered to his store before deliveries were made elsewhere.

It was explained to this buyer that his proposition was both unfair and against the company's policy. His failure to procure the goods first was his own fault, due to his faulty judgment, and the company insisted on following its rule of filling all orders in turn. When he found it impossible to get the goods direct, the buyer bought about twelve dozen at retail in New York, took the hosiery back with him, and advertised a "sale" in order to be first in his city to show the new idea in hosiery.

After this sale, the second store canceled its order, and both refused to carry the line. However, since then the popularity of the stocking has grown to such an extent that still a third, and very fine store, has done a flourishing business. Thus, two stores in one of the best markets, because of their childish, jealous attitude, denied themselves a large volume of business on a line capable of creating additional trade, and donated all of the advantages of the line to competitors, to the detriment of their system of retailing.

"To show that this sort of thing is not exceptional," Mr. Freeman said, "I shall mention a few more typical experiences. In San Francisco three stores wanted the line first, with the result that one of them tried to kill the goods for the others with hosiery bought through bootleg channels in Washington, D. C., and then all three refused to promote the line. Here, too, conditions have changed and now six or seven of the largest San Francisco outlets are promoting the line profitably.

Bootleg Measures

"About the same time a buyer came to New York from a store in the West and offered to place an order with us for about $9,000 worth of hosiery. Before shipping the goods we investigated and found possible evidence that the Portland house was acting as bootlegger for a store in an eastern city which was making the indirect purchase for competitive reasons.

"In another case four stores of a California chain purchased the line and specified definite quantities for each store. This business was accepted in good faith; but when the management learned that we had sold a store in San Francisco, the four chain stores reshipped a part of their goods to another member in that city, in order to advertise it first.

"In Pittsburgh the store first to receive the goods was so anxious to announce its advantages that its first advertisement, written before the goods arrived, was poorly executed and made a bad impression. Then both this store and its leading competitor temporarily refused to promote the line, the first refusing to follow its competitor, and the second claiming that the first had ruined the market with bad advertising.

"And so it goes—all over the country. Wherever our salesmen have gone, stores have demanded first sale of the line. The policy with most of them appears to be first sale or no sale, and they are seemingly willing to sacrifice everything for the privilege of introducing new goods when they are finally convinced that the goods will sell readily.

"This attitude, and the lengths the stores go to sustain it, is amazing. Although we have found many women who have bought and liked our hosiery, we have not been able to find one who remembered which store was first in her city to offer our merchandise. To our way of thinking, this means that the stores are making a costly sacrifice for an advantage that is illusionary and profitless.

Intelligent Advertising

"However, there are cases where the store has consistently advertised. Macy's is just such a store and the consumer usually connects Macy's with dull stockings because of that intelligent advertising program.

"Fortunately, we have not suffered any serious harm because of these strange practices, but if we had been able to supply the full demand for our hosiery we would have sustained heavy losses. As it is, the skies are clearing nicely for us. On May 20 a patent was granted to us on our fabric and I have not seen an advertisement of an imitation, published by a retailer, since that date. We have licensed eleven or twelve reputable hosiery mills to produce the goods under our patent, and are assured of healthy competition in the future.

"While there is much to be desired in the factory distribution of hosiery, the managements of the best mills are doing what they can to improve conditions. At the other end of our distribution, however, we find a tendency on the part of the department stores to fall deeper into uneconomic practices.

"Permanent business never can result from a price war between department stores. From our investigation we are convinced that the great majority of consumers, while they are quick to take advantage of below-cost prices, are rather contemptuous of the stores that offer them and feel that in making regular purchases they will be required to make up the losses. The bootlegging of merchandise and the tearing down of a manufacturer's good will are highly questionable, and we have not been able to find where these practices have advanced the interests of any store.

"Even a casual study of conditions in the field will prove that the practices and methods I have mentioned are extremely detrimental in disturbing the regular flow of merchandise and in destroying the confidence of the public in the department store system of retailing. Because of these practices, I have estimated that the stores involved have lost several hundred thousand dollars' worth of business on our merchandise since the first of the year.

Wars Have Cost Millions

"Certainly, if all of the items and lines on which department store price wars have been waged during the same period were checked up, I am sure the total loss would stagger far up into the millions. And it is more surprising when the fact is considered that the department stores have not only thrown away this business, but, in innumerable instances, have thrown it into the hands of the direct competitors of their system of retailing.

"G. L. Westcott has a plan wherein he is willing to spend almost all the money received from royalties, provided a few silk throwsters will join him, in a consumer advertising program in an effort to identify firmly in the consumer's mind the difference between dull and grenadine-crepe. He is willing to do that in the interest of progressive retailers, for they will profit with the manufacturer. There is no outstanding value to an ordinary stocking chemically dulled. But the consumer doesn't know.

"Then, too, the company is also going to spend a great deal of money in an effort to reduce unethical competition for better retailers. It is hardly fair for a retailer to push and advertise a true high twist grenadine stocking and keep the price up and then have his competitor offer an infringement at a lower price."

In the experience of the Westcott Mills we have a picture which shows clearly the utter, complete folly of price warfare in business. How long will it take the department stores to realize that when they cut prices and engage in what are essentially destructive merchandising practices they are also cutting their own throats?

Does the Tire Industry Represent the Worst Managed Industry?

(*Continued from page* 90)

replacement sales possibilities are doubtful, but the tire manufacturer continues to sell original equipment tires not at cost but below cost (at an average loss of about 4 per cent).

About 70 per cent of the tires made in 1929 were sold through dealers. It is this proportion of the total business that the manufacturers depend upon to make any profits, yet no serious effort has been made to stabilize the dealer business. For years the tire price situation has been demoralized, with nothing approaching a standard of value being apparent. Tire users and tire dealers alike have been confounded when it came to determining the true value of a tire. Six years ago manufacturers discontinued the practice of suggesting consumers' prices to dealers. Instead of price lists, manufacturers determined that each dealer would establish his own resale price, based presumably on his cost and his overhead. It was expected that this method would eliminate discounts by dealers to car owners. For a time it had this effect, although there was a wide variance in the prices quoted for the same size and type of tire. Prices were based on a "trade" list from which the manufacturers gradually extended discounts to their dealers. Later it was decided that the dealer buying tires in large quantities should be given a better price than the purchaser of smaller lots and the volume rebate came into being. Under this plan a dealer purchasing $75,000 or $100,000 worth of tires a year was given a rebate of 10 per cent, while smaller purchasers earned rebates down to one per cent. In anticipation of his rebate, the dealer began discounting to individual tire purchasers and when the discounts from the trade prices were lengthened by the manufacturers dealers made further concessions to the consumer, with the result that within three years the trade was back to its old practice of discounting prices, except that discounts were from a "trade" price list instead of a suggested "consumer" list.

The question of mileage guarantees was handled in a like manner. It was held that guaranteeing tires for a specific minimum mileage was an injustice to the careful car owner and a practice that was abused by the careless driver. Therefore, manufacturers decided to discontinue the mileage guarantee and instead to offer their tires to the consumer with a standard warranty, a protection against defects in materials and workmanship. Originally the warranty was for a definite length of time after the tire had been placed in service, but later it was extended to cover the life of the tire. But the guarantee was only against defects in material and workmanship. This warranty was adopted by the newly formed Rubber Institute, Inc., the general director of which was General Lincoln C. Andrews, which was formed to "stabilize prices" and to remove "profitless prosperity" from the industry, but which was abandoned within a year because of the failure of the manufacturers to "get together."

It was not long after the adoption of the new standard warranty before manufacturers introduced "insurance" and "tire protection" plans under which the tire purchaser, for a small sum, could have his tire protected for one year against every conceivable road hazard as well as abuse, such as underinflation. While mileage was out of the new picture, the definiteness of the guarantee, against which the industry fought a year previous, was again a policy of at least a part of the industry.

It is difficult to point out any particular practice as being responsible for the absence of profits in the business. The evils of the industry have been created by an accumulation of practices and the floundering around of executives who have been loud in calling for reforms and the adoption of real business methods, but who quickly forget the advantages of cooperative action when pet policies of their own making are likely to be disturbed.

Tire manufacturers have to face virtually no competition from other types of manufacturers, not even from the largest car makers, and, as far as foreign fields are concerned, tires are an American export, not an import.

In the last four years production of tires has been increased about 20 per cent to a present total of close to 70,000,000 per annum. As car registrations increase, and the best forecasts available indicate that by 1935 car registrations will have grown from 26,000,000 to over 30,000,000, the tire market will grow automatical-

ly. In other words, the tire business is blessed with a rising market.

In its issue for July 10 the *Wall Street Journal* published an article about the tire industry which read, in part:

"A great many of the industry's most constructive thinkers saw no economic justification for the price reductions. Coming at a time when consumer buying was entering upon its heaviest period of the year, they believe the cuts did little or nothing to advance sales. Prices of rubber and cotton had declined considerably since the first of the year, it is true; but the decline in raw materials was not commensurate with the reductions in retail tire prices.

"The undercurrent of dissatisfaction in the industry with the present price structure indicates that the rubber manufacturers are still far from a co-operative policy. Competition for the comparatively small amount of original equipment business placed by the automobile industry thus far in 1930 has been keener than ever, with the customary underbidding and price-shading which in recent years has meant taking business at either a very small profit or at an actual loss."

"Standard Statistics" Report

Early this year *Standard Statistics* issued a lengthy report on the tire industry which said, in part:

"The nine largest tire manufacturing companies earned 1.5 per cent on their invested capital in 1928, and only about 5½ per cent in 1929. Throughout the period 1922-29 the predominating trend of earnings in the tire industry has been downward.

"As the industry is now constituted and operated, its junior securities do not, in our judgment, justify the confidence of conservative long-term investors, nor of purchases for relatively short-swing operations. It will be shown, however, that the basis for ultimate and substantial improvement does exist, and those who are inclined to accept radical commitments may well find, in this depressed industry, opportunities which offer at least the possibility of substantial profits over a period of time."

Numerous other things have been said and written which do not reflect credit on the management of the tire business. In publishing this article, we are in fact striking no new and radical note for either tire men or those outside of this field. Our main endeavor is to point out how whole industries, despite a favorable set-up, can be wrecked through lack of co-operative competition and through too little recognition of merchandising ability and knowledge by the executive management. We are also trying to make it clear that, as the "dumbness" of the tire industry becomes more and more a matter of universal knowledge, the handwriting is on the wall for "removal by impeachment" of those executives who persist in trying to starve out small scale and curse out large scale competition.

The fruits of super-greed and venom have been rotten, as might have been anticipated by any impartial observer. There must be a replanting backed by a sincere will to cooperate.

But in bringing these rather definite charges against the management of the tire business, it should in all fairness be said that the record of scientific and manufacturing progress in the product itself stands as one of the greatest achievements in American industry. Refinements and improvements in production methods and processes have greatly reduced tire prices (nearly one-third of prevailing prices for 1915) and simultaneously have greatly increased tire safety and mileage (the latter by more than 300 per cent over average mileage in 1915). That record of progress in dollar value gives great promise of what the tire industry can do in successful marketing once it gets under way cooperatively with fellow manufacturers and protectively with retail tire merchants.

(The tables accompanying this article were compiled by SALES MANAGEMENT.)

British Wool Men Raising $100,000 for Research

A levy of four cents will be collected on every bale of wool imported into Great Britain as a means of increasing the annual income of the Wool Industries Research Association. A corresponding contribution of one-half cent a week per operative will be paid by the employers in the processing sections.

The association intends to raise an annual fund of $100,000 which will entitle it to a maximum grant from the Government Department of Scientific and Industrial Research, which pays pound per pound up to a maximum of $50,000 per annum in respect of all income raised by the association in excess of $50,000. The Empire Marketing Board, another Government instrument, will also subscribe $16,250 a year.

Blade-Veith, Inc., is a newly formed advertising agency in Fresno, California, with offices in the Pacific Southwest Bank Building. The partners are Gordon E. Blade and George Veith, newspaper men.

Sprague, Warner Launches First Campaign

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The company maintains a store design service which makes studies of dealers' stores and furnishes free plans, specifications, blueprints and direction and advice in remodeling. The Store Layout Service has directed the remodeling of more than 150 stores within the past eighteen months.

Studies made in hundreds of stores show that an average saving of 23 per cent in time of assembling telephone orders is effected when stores are remodeled. Before commencing remodeling, the assembling time for twenty typical telephone orders is timed with a stop watch. After remodeling, the identical twenty orders are again assembled and timed with a stop watch to determine the actual saving in time by the elimination of wasted steps.

The store service department is also prepared to analyze dealer stocks and sales and to make specific recommendation as to methods for increasing volume, speeding up turnover and also to suggest accounting systems and recommendations covering any special dealer problems.

A canvassing service is maintained which provides trained women canvassers who call on dealers' customers and prospects once a year—giving demonstrations in homes and in dealers' stores—and advising housewives on questions of domestic science. Women of high type, thoroughly conversant with the latest domestic science ideas and thoroughly familiar with all Sprague, Warner products, are used for this work. In advance of the canvassers' visits announcements are mailed to housewives by dealers, and they find a ready welcome by housewives of the highest class.

To Launch Metal Paper

Metal Progress, a monthly publication, will be launched in September by the American Society for Steel Treating, Cleveland. Ernest E. Thum has resigned as associate editor of *Iron Age* to assume editorial direction and Frank J. Enright, formerly Cleveland advertising manager for McGraw-Hill Publishing Company, will be Western advertising counselor. A. M. Morse, Jr., will handle Eastern accounts.

Start Anti-Chain Paper

Independent merchants of Des Moines have inaugurated the *Community Booster*, a weekly newspaper to combat the growth of chains. It is being delivered to 30,000 homes in the city.

Supported by advertising from independent merchants, there is no charge either for the paper or for delivery.

Index to Advertisers

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